

Perceptions of business performance in medium-sized construction companies in the English Midlands

Appendices

A thesis submitted for the degree of Doctor of Philosophy

by

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APPENDIX 1

Appendix 1.1 (a)
Date

Address of the company

Dear Sir/Madam

Re: Request for Research Participation and Recorded Interviews

I am currently studying for a postgraduate research degree in organisational relationships at University of Central England in Birmingham. The chosen topic is an inquiry into contractors' business performance. The main objectives of the study are as follows:

- To review management theories in business performance and project performance appropriate to medium-sized construction companies.
- To explore how business performance is perceived in medium-sized construction companies in relation to their business development and project operations
- To identify the key factors (external and internal) which influence business performance in medium-sized construction companies.

This study has been sponsored by the School of Property Construction and Planning, University of Central England. The employed research methodology requires to record individual interviews of 1 to 2 board directors/senior managers in a medium-sized construction company. I would very much like your company to participate in this research exercise. I would be much grateful if you could complete the attached sheet in page 2 for background information of the research.

I would like to assure you that all information provided will be treated with strict confidence. Anonymity of individual companies and participants will be respected unless they specifically consent to be identified during the process. A summary report of the research will be available to participatory companies.

If you have any further queries please do not hesitate to contact me on the given contact details.

Yours faithfully,

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Brief Introduction about the Research - An Inquiry into Contractors' Business Performance

The aim of this research is to investigate how overall business performance develops and how it relates to individual project performance in medium-sized construction companies. To fulfil the above aim this study will address the following objectives:

- To review management theories in BP and project performance appropriate to medium-sized construction companies.
- To explore how “BP” is perceived by companies' senior managers.
- To identify the key factors (external and internal) which influence BP in medium-sized construction companies.
- To discover how the perceived idea of BP is translated from company level to project level in construction companies.
- To articulate how senior managers construct BP in medium-sized construction companies.

The general perception about the construction industry is not favourable compared with that of other industries; where they have introduced new methods and techniques to change and improve the way of doing business in the past two decades. The majority of researchers considered that the construction industry should be able to do the same, but the construction industry adheres to known and tried methods and techniques rather than changing its outlook. Many researchers are in agreement that the construction industry will improve only when it changes its way of doing business in line with other industries. However main contractors are mainly focused on improving project performance.

The vast amount of literature in the construction industry shows that there is a significant, under-investigated disparity between business performance and project performances of a construction company. According to researchers in this area the present project-based system does not appear to generate long-term sustainability to the company or the industry. Therefore this study seeks to discover how overall business performance has developed and how it relates to individual project performance in medium-sized construction companies. This could inform the future sustainability of construction companies and thereby sustainability in the construction industry. It is anticipated that this study will form the necessary foundation to model ideal contractors' business performance.

This research has taken a novel approach than the usual questionnaire surveys due to the fact those social actors in the construction industry carry an enormous amount of information which cannot be captured well in a standard questionnaire. Therefore recorded interviews will be used to collect data to explore the real disparity between business performance and project performance in a construction company.

Appendix 1.2 - Details of the Company and Current Projects

Please fill in the blanks or encircle the most appropriate answer. In the event of space inadequacy please use a separate sheet.

1.0 General

- 1. Company Name
- 2. Address
- 3. Annual Turnover in 2005/06 or 2006/07

2.0 Current Projects

- 1. Give four projects that characterise the work your company does
 - (a)..... (c).....
 - (b)..... (d).....

- 2. Type of above project e.g. dwelling, warehouse, hospital, road, office etc.
 - Project (a)..... Project (c)..... Project
 - (b)..... Project (d).....

- 3. Approximately what percentage of work is sub contracted?
 - Project (a)..... Project (c)..... Project
 - (b)..... Project (d).....

- 4. Approximate number of employees working at the above projects -
 - Project (a) Permanent Project (b) Permanent
 - Temporary Temporary
 - Project (c) Permanent Project (d) Permanent
 - Temporary Temporary

- 5. What is the preferred contractor selection process?
 - Open Tendering / Close Tendering (Negotiated) / Partnering

- 6. What type of contract agreement/s used?
 - Project (a) Project (b)
 - Project (c) Project (d)

Research Questions – Stage-one

Section - A

1. What is the company structure?
2. Does the company have a strategy?
3. What is the company strategy (plan for its future)?
4. How was this formed?
5. Which people were involved in the creation and development of strategy?
Please give some examples

Section - B

1. How do you identify the need for business improvement? Please give some examples.
2. How do you distinguish between project delivery and business improvement?
3. Is business improvement discussed at board meetings? If so please give a recent example.
4. How often is business improvement discussed at board meetings?
5. What percentage of time is allocated for it?
6. What else is discussed at board meetings?
7. Do you feel business improvement be discussed more at board meetings?

Section - C

The following is based upon the EFQM (European Foundation for Quality Management) Excellence model. Do you know about it? This model recognises there are many approaches to achieving sustainable excellence in all aspects of performance and is based on the premise: excellence results with respect to performance, people, customers and society can be achieved through leadership, people, policy & strategy, partnership & resources and processes (Figure 1).

1. If I group the criteria to improve as (without any particular order) leadership, people, policy & strategy, partnership & resources and processes in which area would you prioritize to improve business performance in your company?
2. What makes you to think that criterion has to be prioritized than the others? Is there any link to that from present situation in the company or any past experience regarding any negative out-come of any other areas or the same area?
3. This is based upon your selected criterion - leadership/ people/ policy & strategy/ partnership & resources and processes to improve overall business in your company-
 - (a) How would you go about it?
 - (b) Do you see any opportunities to develop your company in each of the areas chosen? (c) Who will be most responsible for above actions and what are their positions related to project operations and business development in your company?
 - (d) Once the process is established what sort of a mechanism you will engage to monitor and improve the system?
 - (e) What are your expected achievements in such a system towards chosen criterion or criteria and how would you shape it up to achieve improvement in business performance in the long-run?
 - (f) What are your comments about the value of this model?

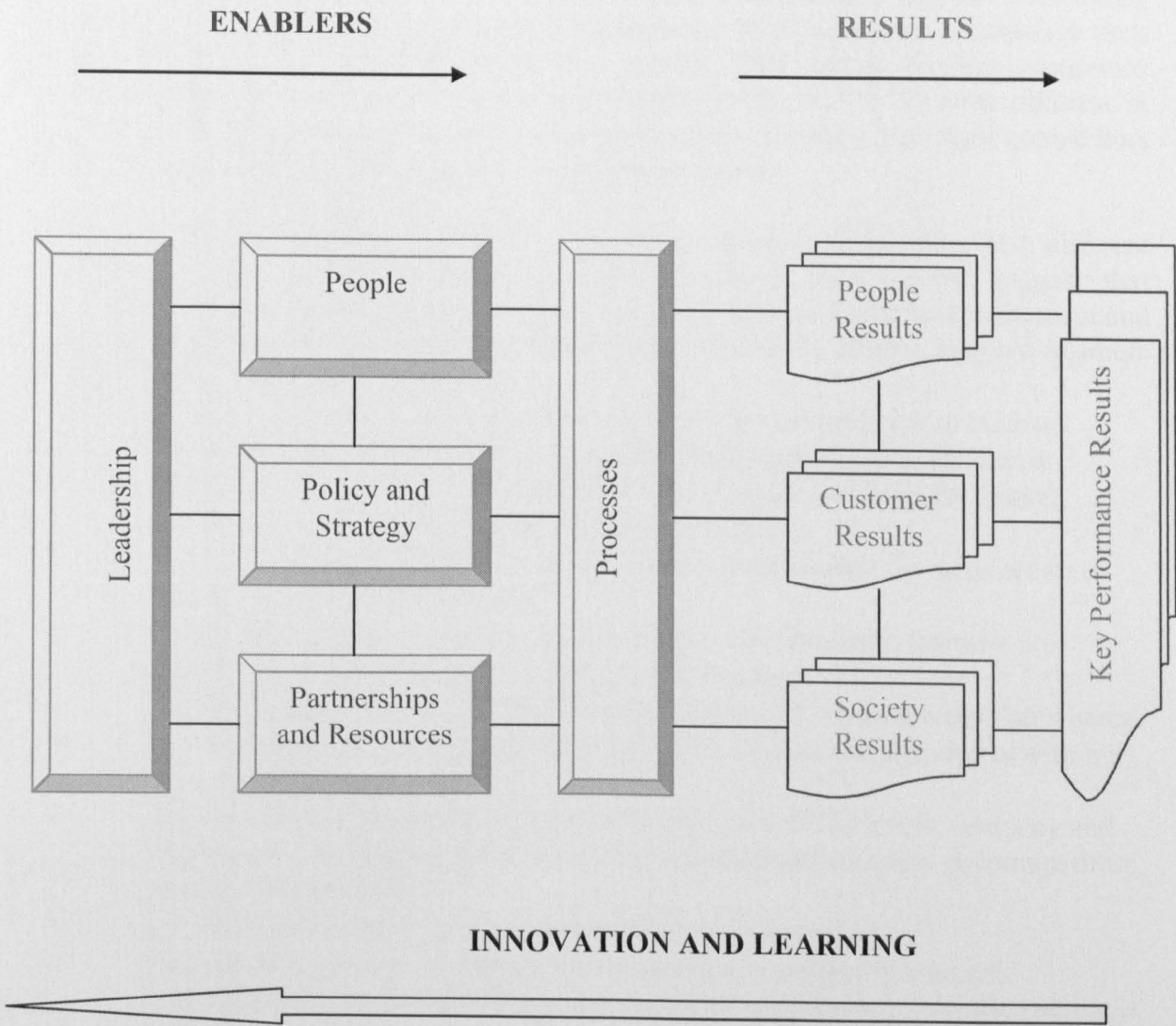


Figure 1 – EFQM Model (source: adapted from EFQM, 1999-2003)

Research Questions for Clarification – Stage-two

During stage-one interviews, respondents described the business performance of a company through business development, project performance and business improvement. The majority of directors mentioned that they conduct business development at company level and control/monitor/regulate project performance at project level to stabilise their position in the market sector in which they operate. They further conduct continuous business improvement at both company and project levels - (1) to be more efficient in construction management process, (2) to distinguish their company from their competitors and (3) as a precaution for sustainability in the chosen market.

Therefore, business performance in a construction company is complex and different companies employ different strategies to address it. However, stage-one data suggests that they did not clearly describe how they maintain the link between business development and numerous project operations through business improvement to achieve targeted business performance in a company. Given that,

- the majority of companies are selective in type of work and type of contract
- those companies use the services of external/internal business/commercial advisers to develop their business. They look at opportunities in the market, government announcements and internal capabilities
- all projects are unique even though a company works within the same sector or engages with repetitive business
- the majority of construction production is done by sub-contractors who are subjected to different company management processes
- business development is a forward-looking process with a long-term plan whereas
- project performance is an on-going affair which needs to be attended to within a given time period
- construction companies are engaged with processes at two levels; company and project and with long-term and short-term management concepts governing those processes respectively.
- at both levels “people” are an important feature in a company.
- the general consensus of construction companies in achieving business performance is not financially oriented, but what contributes towards achieving it, is important to them.

Therefore, the following questions are framed to determine the perceptions of senior managers at company level regarding how they create business performance in their respective companies. It is intended to start by verifying (questions 1-3) how they have previously described business performance of their companies.

1. How do you describe ‘business development in your company’?
2. How do you describe ‘project performance in your company’?
3. Based on the above answers – How do you link them in practice in your company in terms of management of processes and people involvement?

Explanations in question (3) above are intended through exploring the construction practice, for examples -

(a) Job selection processes at what type of work to be undertaken, preference or reasons for it, who should make decisions, who should be involved for preparation of tenders etc.

- (b) Once a client awards a job what type of preparations are involved with, in terms of planning, who will be responsible for activities until the commencement of the job such as selection of sub-contractors, site lay-out, temporary services, purchase of materials etc.
- (c) Once the project is commenced who will be responsible for its progress, what level, reasons for your selection, support mechanisms if any to achieve expected results etc.
- (d) Once the project is nearing completion; are there any procedures adopted, and why? Is it considered as an important activity just like starting the project and why? Who are the people mainly responsible for this activity?

Then question 4 below summarises the respondents' perception of integration between business development and project performance to create business performance.

4. Could you kindly explain with your experience how business development is influenced or not through project performance? (Preferably with examples)

Therefore the above questions; 1 to 4 are capable of providing sufficient data to understand and also to re-confirm the nature of construction company/industry, integration between company and project, why they operate at two levels, whether they work with a long-term plan such as marketing, quality assurance, customer satisfaction etc. to create business performance.

Then questions 5 to 7 are designed to deal with un-clarified areas from previous findings i.e. business improvement, which is assumed to be the connecting feature of project level and company level to achieve required business performance for the company. Thus, the following questions are set to explore the need for business improvement at company and project levels. At the same time it inquires into relationships that affect company's business development and project performance to create or not required business performance.

- 5. Are you doing any business improvement at company or project level? If so, please use examples.
- 6. Could you kindly explain with your experience how you handle business development and business improvement in your company? (Preferably with examples) Note - reference to be made to the same examples (a) to (d) listed above.
- 7. What (business development, project performance, business improvement) needs to be given more priority and why?

Question 8 below links the management idea transfer in the case of business performance in a construction company with processes investigated in questions above. It is expected to summarise all ideas expressed in questions 1 to 7 above regarding what senior managers at company level have perceived as business performance and how they create business performance in their project oriented construction companies. It is also intended to facilitate an understanding of the reality in idea transfer in a company through interview data from directors/senior managers.

8. What processes and mechanisms are employed in your company to transfer the management idea in - what should be done to achieve the required business performance across the company? Is it happening in one direction top-down or bottom-up or in another way?

APPENDIX 2

The European Foundation for Quality Management (EFQM) framework its advantages and limitations in this research

An introduction to the EFQM framework and its usefulness in this research

The total quality management (TQM) approach was developed and integrated into business and organisational excellence through different frameworks. McAdam and O’Neil (1999) summarises the TQM approach as – ‘(1) it is strategically linked to the business goals. (2) customer understanding and satisfaction is vital. (3) employee participation and understanding at all levels is required. (4) the need for management commitment and consistency of purpose. (5) the organisation is perceived as a series of processes which incorporate customer supplier relationships’. Since the launch of TQM approach, many quality frameworks have appeared for the use of different industries and organisations. The most popular are the American Baldrige framework, Europe’s EFQM framework and Kaplan and Norton’s Balanced Scorecard. All those frameworks were followed by an early example from Japan; the Deming Price model (based on the philosophy of plan – do – check –act) in 1951 (Oakland, 2005). The strategic importance of quality has been considered together with business excellence in these frameworks thus they are capable of self-assessment, benchmarking and delivering improved performance in organisations (Oakland, 2005). Furthermore, ‘TQM has been a key business improvement strategy since the 1970s, as it has been deemed essential for improving efficiency and competitiveness’ (Hafeez *et al.*, 2006). Hafeez *et al.* (2006) also identified that ‘organisations are experiencing great difficulty in translating TQM theory into practice’.

The EFQM framework was launched in Europe in 1991 (Johnson, 2003) and revised in 1999 (Johnson, 2003). It has originated from the principles of TQM. It is a flexible and a self-assessed framework which can be used irrespective of the size of an organisation and also in public and private sector organisations to assess current performance and to facilitate improvement in future performance (EFQM, 1999-2003). Furthermore it claims that the self-assessment process leads to a systematic learning experience for people in

any organisation with excellence and quality concepts (Johnson, 2003). Hence it could be used as a vehicle to identify strength and areas to improve, prioritise improvements and drive improvements to achieve higher performance. The figure 1 below outlines the EFQM framework used in this study to generate data in stge-one.

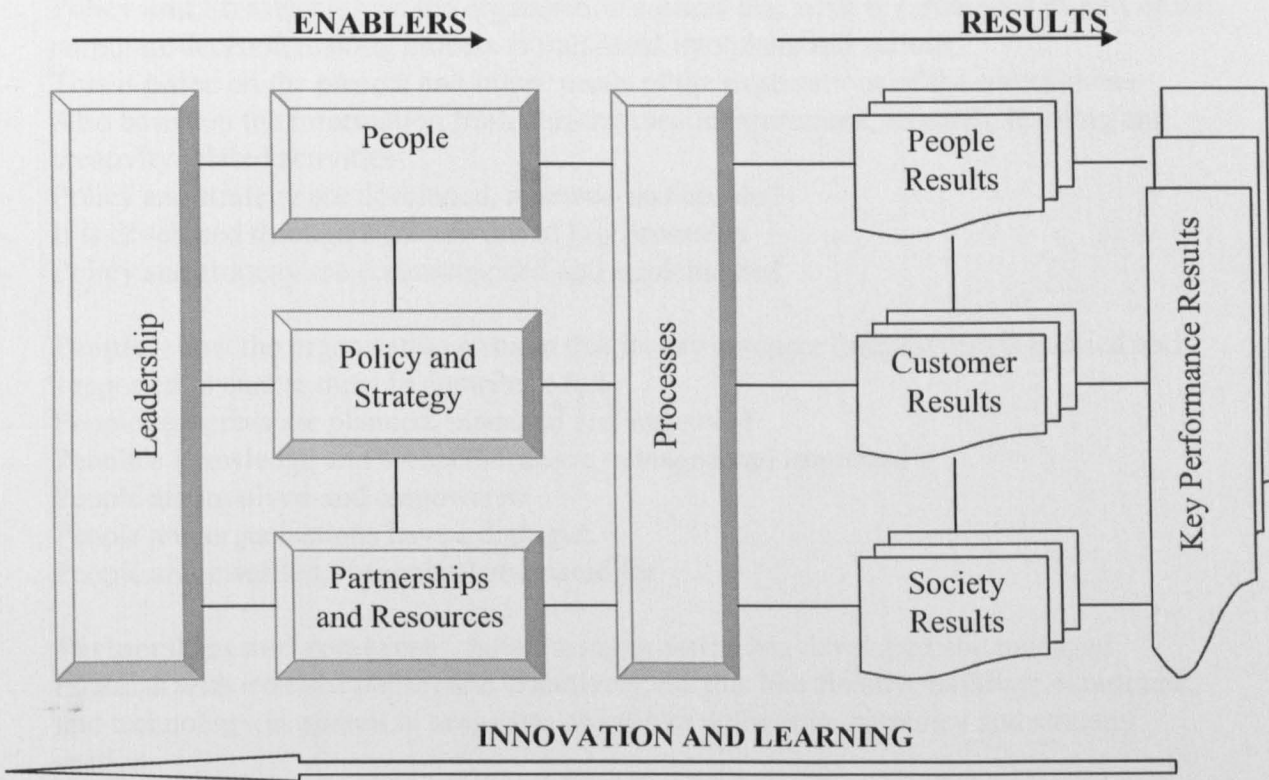


Figure 1 – The EFQM Framework (source: adapted from EFQM, 1999-2003)

Figure 1 summarises the structure of the EFQM framework into 5 ‘enablers’ covering what an organisation does and 4 ‘results’ covering what an organisation achieves (Bou-Llusar *et al.* 2003). To satisfy the requirements of main criteria (five enablers and four results) its assessment is based on a series of sub criteria and as a set of functional criteria. Thus, the analysis can be based on different levels of an organisation.

Definitions for 5 enablers and sub-criteria (McCabe, 2001 pp148-153) are as follows:

‘Leadership – how management inspire and lead people to achieve organisational excellence

- Leaders develop the mission, vision and values. Considered as role models of the culture of excellence
- Leaders are personally involved in ensuring the organisations management system is developed implemented and continuously improved
- Leaders are involved with customers, partners and representatives of society
- Leaders motivate, support and recognise the organisations people

Policy and Strategy – how the organisation ensures that what is formulated as part of the corporate decision making process is translated into plans and actions

- This is based on the present and future needs of the expectations of the stakeholders
- Also based on the information from performance measurement, research, learning and creativity related activities
- Policy and strategy are developed, renewed and updated
- It is developed through a framework of key processes
- Policy and strategy are communicated and implemented

People – how the organisation ensures that its key resource (employees) is utilised and supported to enable them to contribute fully

- People resources are planned, managed and improved
- People’s knowledge and competences are managed and improved
- People are involved and empowered
- People and organisations have a dialogue
- People are rewarded, recognised and cared for

Partnerships and resources – how the organisation has developed and managed relations with external parties and effectively use this like finance, building, equipment and technology in pursuit of corporate objectives defined in the policy and strategy section

- External partnerships are managed
- Finances are managed
- Building equipment and materials are managed
- Technology is managed
- Information and knowledge are managed (this is directly linked to policy and strategy)

Processes – how the organisation show the way it manages and reviews all processes that is carried out

- Processes are systematically designed and managed
- All processes are improved as needed using innovation in order to fully satisfy and generate increasing value for customers and other stake holders
- Products and services are designed and developed based on customer needs and expectations
- Products and services are produced, delivered and serviced
- Customer relationships are managed and enhanced’

When an inquiry is made into the above sub criteria - leadership to identify exactly what leaders are doing and how they are doing it; then there will be another level of activities which are formed at the functional level to support the above. There are 32 sub-criteria available under the main 9 (5 enablers and 4 results) criteria (Rusjan, 2005; and McCabe, 2001 pp148-153). Both main and sub-criteria are fixed elements for self-analysis, however the third level criteria are not fixed and so could be selected in-line with the purpose of analysis such as quality improvement or business performance or organisational performance etc. at the discretion of the qualified analyst. Thus the analyses will be spread on three layers of an organisation namely, corporate (9 main criteria), operational (32 sub-criteria) and functional (numerous sub sub-criteria to support sub-criteria) refer figure 2 for the researcher's interpretation of the 5 enablers and the layers of an organisation. The outcome through such an analysis can be considered as a well encompassed achievement in an organisation. Therefore, the EFQM literature can be useful in the collection and evaluation of data and to provide feedback to management such as sustainability or the improvements needed to the system (figure 2).

This framework is results orientated and results can be measured as perception measures, performance indicators and performance outcomes (McCabe, 2001 pp154-158), thus it can be used by any researcher following positivist or interpretivist approach to research to gain an understanding of a particular organisation. Positivist researches can base their analysis simply on the individual scores achieved by enablers and results and the overall score. Each main criterion is allocated with a certain percentage value and scoring is based on the judgment of the qualified EFQM assessor's investigation into sub-criteria and sub sub-criteria of a particular enabler or result. Interpretivist researches can base their analysis on comments made on criteria at three different levels of the organisation (figure 3).

Five 'enablers' represent how the organisation operates and four 'results' represent achievement of an organisation. There is a direct correlation between enablers and results (Dahlgaard-Park and Dahlgaard, 2005). Bou-Llusar *et al.*, (2003) identified it as 'results

can be interpreted as a measure of the ability of the enabler domain to exert an influence on the set of results criteria'. They also emphasised that 'findings can be understood as a measure of the capability of the business to obtain better results by managing the enabler criteria'. Thus this framework allows managers to modify/alter/change enablers at corporate, operational or functional level to achieve the organisation goals/targets using the feedback loop. It is possible to prioritize the areas of the business that need most attention. Thus this framework provides an objective systemic measure of an organisation therefore improvements to business can be implemented. It leaves provision for the top management to plan and develop a suitable mechanism to achieve set goals/targets by educating, training and rewarding people who are responsible for functional elements of an organisation. Thus, this framework underpins the organisational behaviour concepts such as behaviour, activities, initiatives and relationships of managers/employees in an organisation. It is so designed to achieve 'excellent results with respect to performance, customers, people and society through leadership driving policy and strategy, that is delivered through people, partnerships and resources and processes' (EFQM, 1999-2003).

The basic premise to select this framework as the tool to access data is that; its five enablers logically cover all aspects of operations in an organisation with a direct relationship to results (figure 2). Consequently it covers relationship between leadership and business performance; I am investigating how business performance (non-financial) is perceived by directors/senior managers of medium-sized construction companies and how it is translated in a company. In reality by using such a framework it will be easy to access and uncover data which is based on organisational behaviour which includes strategic management. In line with that, Bou-Llusar *et al.*, (2003) said the EFQM framework is an appropriate tool to investigate into organisations and furthermore, 'other researchers have used this model for organisation analysis'. This framework is linked with business performance. (Leonard and McAdam, 2002; Boi-Lluter, 2003) identified that the 'business initiative' process exists together with TQM approach in this framework which is used to benchmarking the quality of European organisations. The flexibility of the use of EFQM framework in this study can be highlighted as; it does not specify any specific management control system to adopt upon use/implementation of

this framework. Furthermore, Dahlgaard-Park and Dahlgaard (2005) established that most of the elements of six management control approaches (bureaucratic and mechanic view, cybernetic view, agency view, human Resources view, contingency view and cultural view) are incorporated in the EFQM framework. The EFQM framework relates well with resources available in an organisation to its capabilities thus future improvement can be planned accordingly ‘tracks down the main resources and capabilities of organisation so that we can identify what part of business structure hosts the essential resources or capabilities that generate competitive advantages’ (Ruiz-Carrillo and Fernandez-Ortiz, 2005).

The fundamental concepts of the framework together with other researchers’ comments of the EFQM framework fit well with the requirements of this study; to investigate business performance of a contractor through perceptions of board directors/senior managers at company level. Other than that the specific advantages of using this framework in this study can be described as follows:

- (1) This framework covers all areas in a construction company which need to be assessed in relation to performance at business levels with the basic premise ‘total quality management’. Thus, it underpins the concepts the researcher is intending to explore such as perceptions of directors regarding business performance, behaviour of top management, activities of a company at different levels etc. It is so designed to achieve ‘excellent results with respect to performance, customers, people and society through leadership driving policy and strategy, that is delivered through people, partnerships and resources and processes’ (EFQM, 1999-2003).
- (2) It is a leadership driven framework thus activities are streamlined or prioritised through vision, mission and value of people based upon current/ future requirements of an organisation. Thus this framework fits with our requirements to investigate business performance of a contractor through board directors/senior managers in construction companies.
- (3) EFQM (1999-2003) further states that its aim is to deliver management by processes and facts. It has the clear link between enablers, results and feed back loop which covers

RADAR thinking (Results, Approach, Deployment, Assessment and Review). This is in line with the Deming philosophy ‘plan – do – check – act’. This includes management (operational level) as well as normal functions (functional level) of a company (figure 2). Therefore, it facilitates transparency in holistic approach to improving performance in an organisation; which will be useful in this study to identify areas to improve or areas to sustain in a company in terms of non-financial business performance.

(4) It has been identified that it involves people in the process and aims to improve performance by developing people. Thus it is in line with qualitative methodology and organisational behaviour where people are given due recognition in the process of performance implementation and improvement; it also aims to maximise their participation and contribution towards performance improvement. Furthermore it is clearly visible in the above figure 1 that people are used as an enabler and also as a means for generating results. This is compatible with the interpretivist method chosen for this research in exploring the concept ‘business performance’ through people.

(5) This framework addresses the sustainability of an organisation as the framework is designed to generate customer results. Therefore, it can be assumed that the use of framework leads to generate a sustainable position for an organisation among its competitors in the market. Furthermore, this framework allows an organisation to review the services which can be offered to satisfy present customer requirements and future customer needs and expectations through results and feedback loop. Management strategy plays an important role here thus it supports the access to data through directors/senior managers of companies in this inquiry.

(6) This framework can be used to address the constant change the construction industry is facing by including partnerships and resources. Hence proper planning/programming will lead to retaining valuable resources such as materials, finances, relationships etc. through proper partnering arrangements. This is quite visible in the construction industry nowadays and the use of this framework gives opportunity to find out how exactly relationships are maintained in the complex construction industry which is vital for business performance of a company.

In summary; this framework can be used for evaluation of a construction organisation, can be integrated with organisation management irrespective of its type and can also be use effectively to identify areas to improve, monitor and sustain business performance of an organisation. Therefore the EFQM framework is suitable to uncover data with respect to this study; an investigation into business performance of a medium-sized construction companies.

Limitations of using the EFQM framework

The EFQM framework has helped to formulate interview questions in a sequence which was known to both interviewees also it helped to conduct the interview in a logical manner. It also made the discussion more theoretical. However it limited the discussion to five enablers of the framework excluding ‘other things’ which will be necessary for good research. Use of the framework also limited the discussion to the partiality of interpretation (bias) and specificity of the context by the interviewees. Both interviewees have vast experience in practice hence they knew how to promote what they are engaged with. Other than that the interview transcripts show interviewees were spoken through their own template though they use the five enablers in the EFQM framework. It can contribute towards an inconsistency in data analysis.

This framework is operating with a role model leadership approach; however applicability of such a concept in a highly fragmented and complicated construction industry is questionable. The EFQM framework acts as a tool to find out what is happening in an organisation; it does not indicate what should have happened to improve performance. Hence performance improvement is heavily based on management and strategic decisions through the feedback loop. It shows the need for management commitment and strategic approach rather than the leadership. Thus to some extent it has an element of bureaucratic nature which favours managers but not leaders. Emphasizing the point, Johnson (2003) said ‘use of the model appears dependent on managing its strength as an explicit framework of excellence with its weaknesses in organisational relevance and bureaucracy’. On the one hand, management is presented as a dull

activity, where getting things done through other people in order to achieve stated organizational goals. On the other hand the leaders offer vision and motivation and deal with change. Thus, leadership is presented as a creative and an exciting activity which is seen as an inspirational process, associated with interpersonal skills in a broader context and with enthusiastic line up of followers. Since the management and leadership are related, organizations do not hire managers and leaders separately. Therefore, in reality, a modern managers' role is much more complex as he/she has to engage in both roles. According to the above definition for leadership, leaders can emerge at any level of an organization. It need not be only at the higher level of a hierarchy. This can be capitalized in nowadays organizations, which allow decision making responsibilities to take place further down a hierarchy. However this framework welcomes the involvement of people and tries to improve the process through people.

Some researchers have criticised this framework; that it has a 'business process' central to its core idea other than TQM, 'however it does not clearly show how business process can be identified and improved' (McAdam and O'Neil, 1999). Furthermore, 'lack of compelling evidence of the model's success on its focus on the internal operation of the business' (Johnson, 2003). Rusjan (2005) said that this framework does not explain the relationship between decisions made based on the EFQM framework results and other traditional decisions based on strategic, business, organisational perspectives. Another criticism lies in the area of uncertainty of construction industry and simplicity nature of the framework. Dahlgaard-Park and Dahlgaard (2005) stated that '[c]omplex nature of a system and a simple model may not be able to cope the complexity with its uncertainty and unpredictability'.

Furthermore, Dahlgaard-Park and Dahlgaard (2005) identified the inconsistency between enablers as a major defect of this framework and responsible to create problems at the implementation. Bou-Llusar *et al.* (2003) described enablers and results are strongly associated however it shows limited validation of causal relationships between attributes. The same point has been observed by Dahlgaard-Park and Dahlgaard (2005) '[t]he culture aspect...explicitly focused under the leadership while this focus more or less

ignored in Policy and Strategy, Partnerships and resources as well as in the Process criterion'. Rusjan (2005) further identified the discrepancy between cause-and-effect relationships between enablers and sub-criteria which limits the usefulness of the framework. Rusjan (2005) argued that this framework is well structured to handle 'identification of the problematic situation' of an organisation but it does not offer any guidelines for 'identification of problems'; which is useful to prioritise the areas for improvement.

Many researchers are in agreement that companies which aim for better performance should consider the EFQM framework as a whole rather than trying to address few aspects of the framework (Bou-Llusar *et al.*, 2003). Furthermore, Hafeez *et al.*, (2006) said that the companies 'understand the commercial or institutional demands to introduce TQM as a business strategy', however the lack of skills, organisational barriers and soft issues arising; need to be addressed to get better results.

Therefore, organisations can overcome the above issues with the implementation of the EFQM framework if they are aware of these inconsistencies, limitations and risks connected with it (Dahlgaard-Park and Dahlgaard, 2005). Also there should be an awareness of softer issues of performance management (Johnson, 2003 and Hafeez *et al.*, 2006), when using this framework for performance improvement in an organisation. The organisational effectiveness under investigation could be prioritised using the sub sub-criteria (quality, customer satisfaction etc.) during the analysis process to make judgments on fixed criteria. Thus by adopting a transparent decision making process as illustrated in figure 2 below; results can be managed to sustain or improve the required organisational effectiveness in an organisation where business performance is embedded.

The researcher’s interpretation of 5 enablers in the EFQM framework to serve this inquiry

Figure 2 below represents the modified use of the EFQM framework based on the advantages and limitations in theory and practice used in this inquiry. The following line diagram encapsulates of the conceptual use of the 5 enablers in this research with the addition of management approach to limit the inconsistencies identified by other researchers to achieve organisational effectiveness broadly and specifically business performance in this inquiry.

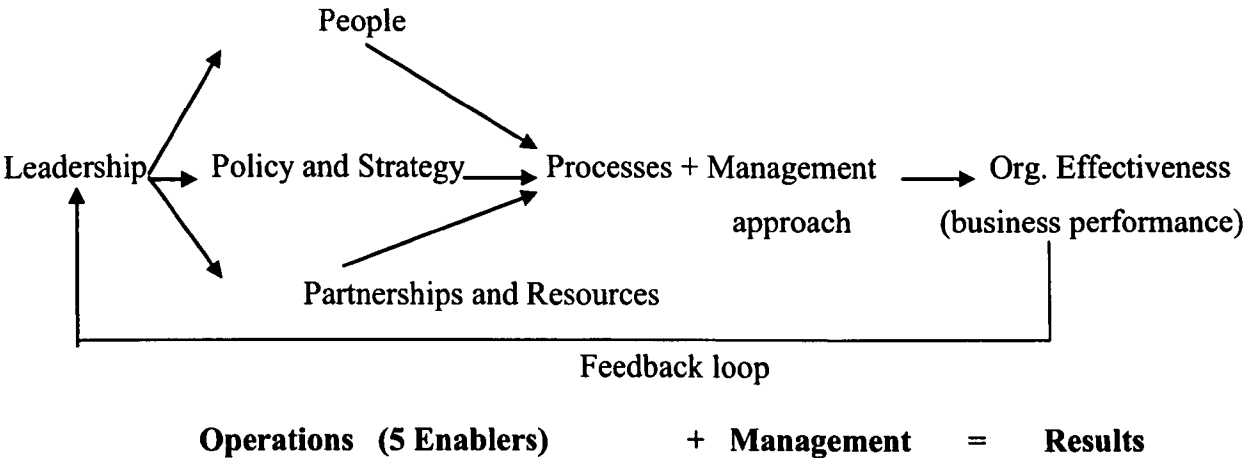


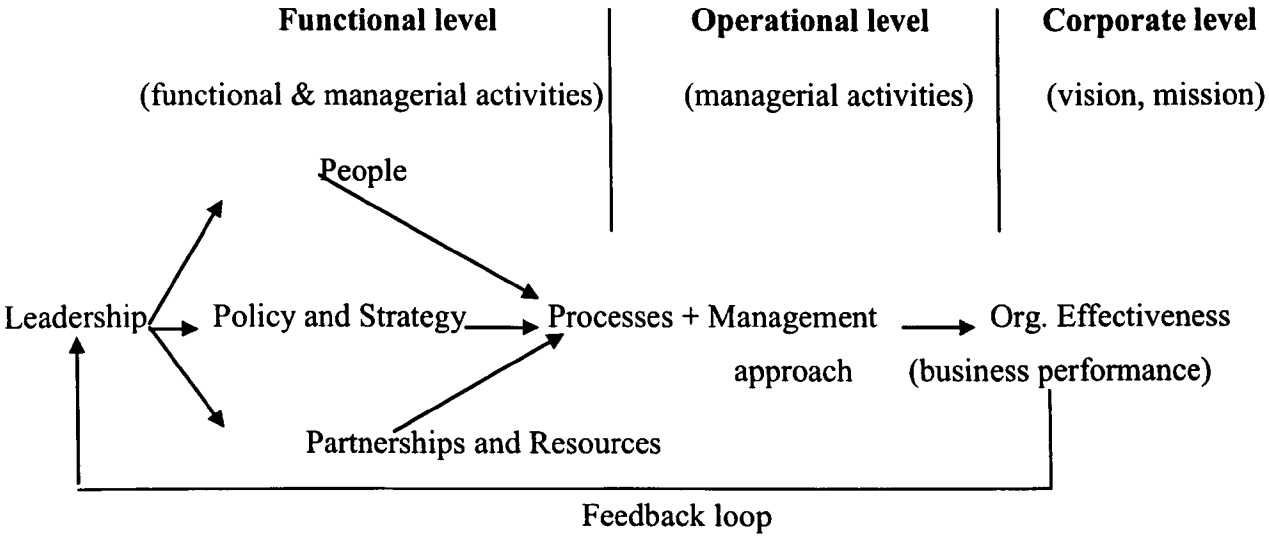
Figure 2 – The use of EFQM Enablers in this Research

The above figure 2 represents five enablers from the EFQM framework. The results generated at the operations level need to be interpreted together with the basic reason for analysis (quality, customer satisfaction etc.) using appropriate management skills to develop management decisions to improve or sustain the organisational effectiveness, business performance in this inquiry. The framework in figure 2 above which joins the 5 enablers with a respective management approach in an organisation can address the above issues related to theory and practice; to streamline the findings through enablers to achieve or improve business performance.

The above modified framework operates on leadership similar to that of the EFQM framework; however it recognises the leaders need not be at the highest/corporate level or middle /operational level of the hierarchy. Therefore leaders can be originated even at the functional level. All issues up to a certain limit related to people, policy and strategy, partnerships and resources can be handled at functional level with employee's direct input of ideas and contextual data. Those raw data can be processed together with additional information from operational level (management ideas) and corporate level (vision, mission, strategy) at the operational level of the hierarchy in line with the definition of process and its involvement. The EFQM (1999-2003) defines process as 'how the organisation show the way it manages and reviews all processes that is carried out'. The involvement of process is as follows:

- 'Processes are systematically designed and managed
- All processes are improved as needed using innovation in order to fully satisfy and generate increasing value for customers and other stake holders
- Products and services are designed and developed based on customer needs and Expectations
- Products and services are produced, delivered and serviced
- Customer relationships are managed and enhanced' (EFQM, 1999-2003)

Therefore an appropriate management approach is useful at this stage to understand raw data and mix them with operational and corporate level requirements. The managers at the operational level (figure 3) can be made responsible for analysing the above data against the set strategy/vision of the organisation. Their in-between position can be put to good use to analyse functional and operational data together with corporate requirements. Those results can be considered as a total representation of the present performance of an organisation. Thus the functional level and corporate level leaders can be informed about the requirements to adopt; to sustain or to improve the business performance of an organisation.



Operations (5 Enablers) + Management = Results

Figure 3 – The EFQM Enablers with Hierarchical Line of Command

The above interpretation has been based on figure 4 which illustrates the hypothetical hierarchy of a medium-sized construction company

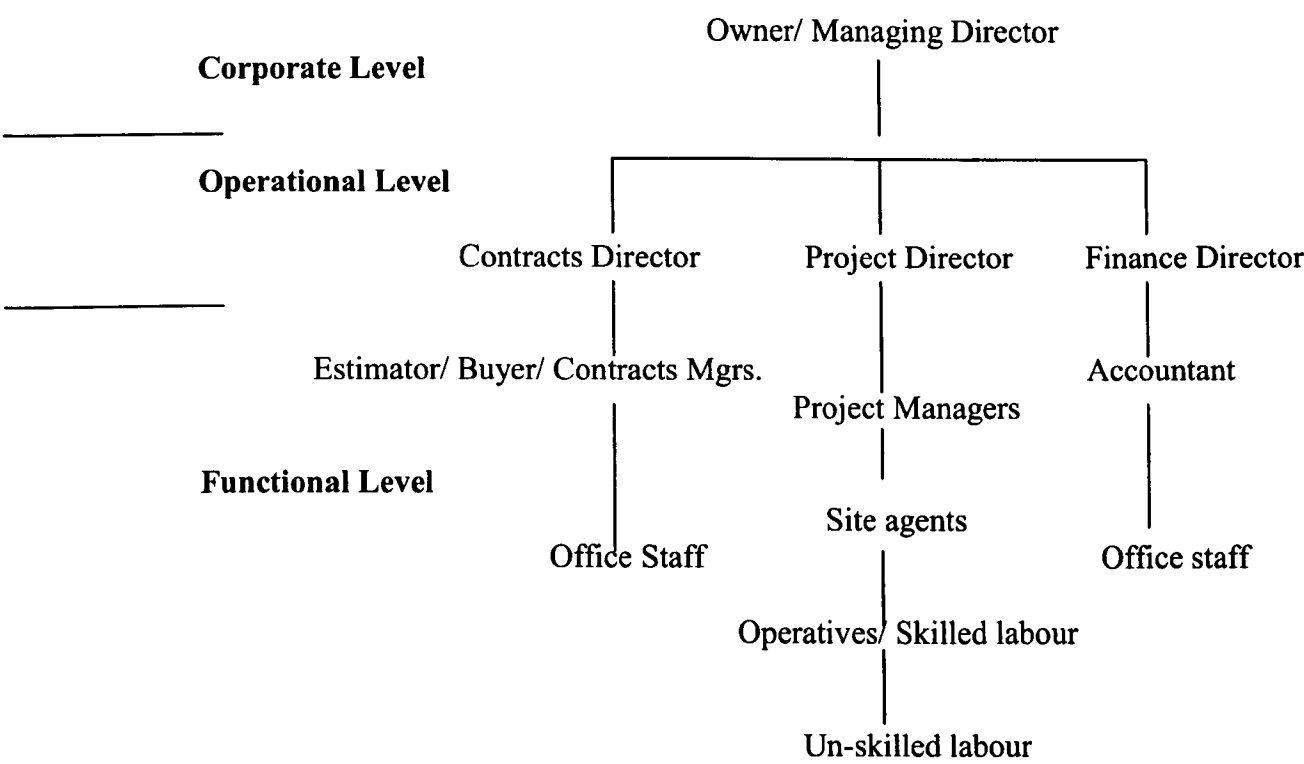


Figure 4 – Hierarchy of a hypothetical medium-sized construction company with line of command

APPENDIX 3

	Company 'A'	Company 'B'	Company 'C'	Company 'D'	Company 'E'	Company 'F'	Company 'G'	Company 'H'	Company 'J'
Type of business	Building contractor	Civil contractor – Groundworks	Building contractor	Building contractor	Building contractor	Building contractor	Building contractor	Building contractor	Building contractor
Work as	Main contractor	Sub contractor	Sub contractor	Main contractor	Main contractor	Main contractor	Main contractor	Main contractor	Main contractor
Level of inquiry	Overall business (Company level)	Overall business (Company level)	Construction company (Company level)	Construction company (Company level)	Construction company (Company level)	Overall business ¹ (Company level)	Overall business (Company level)	Housing division - New build and Regeneration ² (Housing division is considered as a company)	Construction company (Company level)
Position of the interviewee	A1 - Director - Contracts A2 - Contracts Manager	B1 - Director - Commercial	C1 - Director - Contracts	D1 - Non Executive Chairman	E1 - Director - Admin, QA, Marketing and Supply chain	F1 - Director - Design and Build (2007) and Director - Design Build and Estimates	G1 - Non Executive Chairman	H1 - Director- Housing H2 - Director Business Improvement	J1 – Contracts Manager J2 - Director Business Development

Table 3.1 – Representation of companies and interviewees

¹ This company merged in between investigation with a national builder

² Housing division consists of both New Build and Regeneration, however due to increase in work load in 2008 it was divided into two divisions.

	Company 'A'	Company 'B'	Company 'C'	Company 'D'	Company 'E'	Company 'F'	Company 'G'	Company 'H'	Company 'J'
Nature of Core Business	Building construction and Refurbishments – Prefers commercial churches and industrial. Occasionally Housing (high specification), Maintenance and Refurbishments	Ground works in Deep excavations, Drainage laying and Concreting for Highways, Commercial and Housing	Building Construction (heritage)	Building const. Private Care - Construction and Refurbishment	Building contractor preferred Niche Contracts, Retirement homes, Supermarkets including fit-outs	Building contractor- Schools, Apartments, Hospitals, Commercial, Industrial including fit- outs	Building contractor -Decent Housing including fit- outs	Building contractor- Commercial houses	Building contractor- Schools, Apartments, Hospitals, Commercial, Industrial and Refurbishments
Company Structure	Owner/Directors Traditional hierarchy	Owner/Directors Traditional hierarchy	Owner/Directors Traditional hierarchy Construction company in a group of two companies Originated as Family company	Owner/Directors Traditional hierarchy Construction company in a group of three companies	Owner/Directors Traditional hierarchy Construction company in a group of three companies, Originated as Family company	Owner/Directors Traditional hierarchy General Builder, Originated as a family company but changed to be the regional builder in a large group of companies in September 2008	Owner/Directors and Bank MBO - 20% shares own by Bank of Scotland	Owner/Directors Traditional hierarchy Housing division in a group of divisions operates as individual companies Originated as a family company	Owner/Directors Traditional hierarchy Construction company in a group of companies, Originated as a family company
Turnover 2006/07 (in GBP million)	3.0	5.0	30.0	40.0	60.0	43.0	117.0	58.0 from Housing Division	43.0
Approx. no. of employees	24	20 + office staff	≈60	≈50	120	90	450	56	≈80
≈% of work sub-contracted	majority	minority	majority	majority	60	80	75	100	100

Table 3.2 – Background information of participating companies

	Company 'A'	Company 'B'	Company 'C'	Company 'D'	Company 'E'	Company 'F'	Company 'G'	Company 'H'	Company 'J'
Business strategy	Morale principles and type of work (check company finances before committing)	Type of work and repeat business	Market	Market driven Market mapping exercise to our track records and also geography, client's procurement type and type of work	Profit driven analyse Market and in-house skills	Jobs are selected to add value to the company risk reduction, from select projects, from a wide spread of market, in-house capability to maximise return	Market driven and cash flow generation (revenue) to pay back the managing buyer	20% annual growth, Market Repetitive and collaborative work through long-term partnering	Market Profit and commercial aspects
Formation	Short-term focus - job availability Repeat business	Short-term focus - job availability Repeat business	Long-term focus - changed from main contractor to sub-contractor Repeat business	Long-term focus - evolved from mission, vision and objectives Repeat business	Long-term focus - but change when necessary, niche contracts Repeat business	Long-term focus - developed over a long period of time from family business	Long-term focus - business and project separate Repeat business	Long-term focus - value driven approach, different for divisions Repeat business	Long-term focus - available contacts, existing and new clients, niche contracts Repeat business
Who Involves and implementation	2 Owners/ Directors and Contracts Mgr.	2 Partners, General Mgr. and Finance Mgr.	8 Directors and Associate Directors	Chairman + MD + 5 Directors + Business Development Mgr.	Non-executive Chairman and 5 Directors	2 joint MD (Construction, Finance) + 6 Working Directors in 2007 Changed to General Manager/Director and 3 working Directors in 2008	2 tiers –Director Board Non-executive Chairman + MD + 4 Regional Directors + Financier AND Management Board with Non-executive Chairman + 4 Regional Directors +Finance +HR Mgrs.+Business Deve. Mgr.	2 tiers Group Directors Divisional review meetings with Business Improvement director	Chairman + Managing Director + Financial Director Business Director is there to generate work within the business

Table 3.3 – Interview data – Stage-one – Section A

	Company 'A'	Company 'B'	Company 'C'	Company 'D'	Company 'E'	Company 'F'	Company 'G'	Company 'H'	Company 'J'
Need for BI (Business Improvement)	Projects	People	People	Customer feedback, it changes	Performance	Market has changed to D&B jobs, Projects	All company operations and its time dependent	All company operations	All company operations
Project Performance (PP) and BI	Related, trying to scale down, try to solve day to day issues at projects <i>Quality of work</i>	Dealt separately PP – time, cost and quality BI- Corporate image (plant with logos, safety gear for people) <i>Client satisfaction</i>	Try to separate but still Associate directors discuss about project delivery not business improvement BI/BD - Formation of supply chain, <i>QA</i>	Projects doesn't have appraisal systems, people are appraised irrespective of proj. BI initiate from projects, solutions deve. at the mgt. level, people are integrated in both <i>Client satisfaction</i>	Dealt separately PP - profitability BI/BD - Transfer business plan to projects (eg. Off-site construction - value, its out-turn, consultants, funds) <i>QA</i>	PP- Monitoring projects by time – weekly Cost – monthly <i>QA</i> KPIs in client satisfaction	Dealt separately PP and BI - Customer feedback and Efficiency (measure all costs) Cost drivers <i>QA and Client satisfaction</i>	Dealt separately PP -Every site performance is analysed monthly BI - Continuous monitoring of turnover <i>Client satisfaction</i>	Dealt separately PP -Every site performance is analysed monthly BI - Continuous monitoring of turnover <i>Client satisfaction</i>
BI / BD (business development) discuss at Board meetings/ Frequency and nature of Board Meetings	Yes/ Informal When necessary	Yes/ Formal monthly meeting	Yes/ Formal meeting in every 6 weeks 1 hr. on Strategy (BD) alone + additional meetings with Associate Directors	Yes –Formal BD is a standing item Two levels Quarterly Board meetings –Group level -BD Monthly Board meetings – Company level Monday morning meetings – management level	Yes/ Formal in every two months and Two levels Group board and company board of directors meeting Company board of directors - business plan -who do we know, what can we do really and PP	Yes/ Formal, monthly 2x separate half day meetings/year for Business Strategy (BD) only Monthly meetings – BI and PP are supported by task group meetings	No/ Formal Two levels (excluding project meetings) Board of Director - monthly, BD discussed Mgt. board – monthly, BI is discussed and are supported by task group meetings –	Yes/ Formal Two levels (excluding project meetings) Board of director – monthly Divisional review meetings - monthly Director (division) and BI director reviews every division separately against the set BI targets and report back to the Board of Directors	Yes/ Formal Three levels (four levels including project meetings) Every two months - BD Management (CCV) Boards- BI / PP Monday morning meetings – management level Monthly meetings - PP

Table 3.3 – Interview summary – Stage-one – Section B

% of time allocated for BI	≈10%	80% of last two meetings	20-25%	10% of the meeting	30% discussing marketing what to do next (BD)	Whole board meeting is BI sometimes 10-15% is Business strategy (BD)	40% forward planning (BD)	Half a day review meetings every month in separate divisions (BI only).	
BI to be discussed more?	Yes	Need to talk about more positive things	Yes, personally	Challenge	Yes	No, take it serious	No	Yes	Yes
What else is discussed?	Everything as and when necessary	Marketing, H&S, Personnel, Plant, Buying/purchasing Jobs (projects)	Social events, Finance, Current finance, Workload, current workload, Possible workload, any other bubbling issue - motivation staff, events with clients, cooperate events, insurance	Operational issues – overview, Forward Workload(turnover forecast, Sales & Market. Report, Chase Partnership Homes) Contracts (production overview, H&S, Quality, Final Acc., Customer Feedback) Inter group Trading, Finance (accounts, Financial KPI's, Cash flow) People (staffing, Train. and Dev., Appraisals) Conti. Improvement, AOB	HR report marketing, estimating , construction reports - how the jobs are going , how about the safety, Finance, any litigation , IT.	Performance, Finance, HR, H&S,	Contracts based on variances, Very large contracts in- detail, Statutory matters, Future opportunities, Financial Report (cash flow, banking), H&S, HR, Customer Feedback, Litigations /Disputes (very rarely) Insurances, AOB	Reducing waste on sites, reducing non recoverable cost, innovative materials, energy saving methods All kinds of things to make our performance better	Performance, Finance, HR, H&S,

Table 3.3 – Interview summary – Stage-one – Section B (contd.)

	Company 'A'	Company 'B'	Company 'C'	Company 'D'	Company 'E'	Company 'F'	Company 'G'	Company 'H'	Company 'J'
EFQM enabler use to Improve BI	People, Policy and Strategy	People Leadership, Partnerships and Resources	Policy and Strategy at this time	Time depend. At the moment (from best practice building blocks- people, is one of them)	People (leadership including)	People (includes in other enablers) all five need to be looked at	People, processes at this time	People, processes	Leadership + People
Reasons to prioritize above	Do not have a set Policy and Strategy	It relates to strategy which we are planning to write down in Jan. 2008	The change from main contractor to large scale sub- contractor	Measuring ourselves with the best practice virtual company all the time and pick related issues to address	To meet the future strategy - to increase the turnover, plans to introduce ISO 9000, KPIs)	Continuously look at all of them but mainly - cost quality and time	Bis we make to policy & strategy etc. depend on actual people and processes. Need to excel customer satisfaction	People control the processes Getting the people to do things right and manage the processes is important.	People are not a problem but processes
Methods use to improve the prioritized enabler	---	On the job training	Training associate Directors to take more responsibility	On-the job training	High salaries, job satisfaction	Training - wanting to learn, Recognition	Large training programme	Large scale training programmes, Management support	Annual dinner dance, Communication day
Use of EFQM	Do not use	Haven't heard, but we try to run the company' bit like that	Not ready for it, great model, it would give businesses a fantastic guide line	Do not use, instead use best practice virtual company model	Do not use, use KPIs, EFQM is not a priority, good for marketing	Do not use, but subscribe to the idea. Not in a business- making sweets	Do not use, use best practice virtual company model and KPI s	Do not use, use QA standard ISO 1000 support	Do not use, Use few KPIs, and financial data

Table 3.3 – Interview summary – Stage-one – Section C

	Company 'A'	Company 'B'	Company 'C'	Company 'D'	Company 'E'	Company 'F'	Company 'G'	Company 'H'	Company 'J'
Business Development (BD)	Done by two directors	---	---	---	---	Done by board of directors	Done by board of directors Clients data are collected at projects	Originated by the chief executive and developed and improved further by the board of directors	Originated by the chief executive and further improved by the board of directors
Project Performance (PP)	Difficult in some cases due to the nature of the contract and work but important Industry relations due to location-specific factor	---	---	---	---	Carefully monitor projects regularly. Directors are involved in monthly project meetings Client relationships are useful	Involvement of customer-facing people help to deliver projects effectively, Client relationships are useful	Carefully monitor projects regularly. Directors are involved in monthly project meetings Collaborative work and Client relationships are useful	Carefully monitor projects regularly. Directors are involved in monthly project meetings Client relationships are useful
Link in BD and PP	Cash flow, people and process (quality, type of work) Relationship with clients based on good quality work	---	---	---	---	The process of interaction of project managers with the directors. Directors are setting up the BD though not structured	Business plan, BI, Customer satisfaction Data management, long-term open book partnering	Business plan, BI Customer satisfaction QA long-term partnering, supply chain	Construction manager, two fold business strategy Customer satisfaction long-term partnering, supply chain
BI at company and project level	We (management and sometimes operatives) and discuss better ways of doing things	---	---	---	---	It's an evolutionary process at project level to fill a gap Linked	Linked, a continual process. project based improvement is done, both ways are possible and cont	Linked, a continual process,	Linked, a continual process,

Table 3.4 – Interview summary – Stage-two

	Company 'A'	Company 'B'	Company 'C'	Company 'D'	Company 'E'	Company 'F'	Company 'G'	Company 'H'	Company 'J'
BD and BI	Not planned previously – 'as it happens at the site' Cannot plan under prevailing economic circumstances	---	---	---	---	Directors are involved in both. Project is the base for improvements. Contracts managers act as a vehicle	Project is the base for business improvements. BI is the responsibility of all senior managers dangerous to appoint a specific division	Processes and people in the company and project/s are the base for business improvements. A director – BI will initiate the process but BI is the responsibility of all senior managers so they act as champions	Continuously looking for improvements at company and project levels BI manager is available his ideas are discussed at the board of directors meeting and implemented through different divisions and staff
More Important BD, PP or BI	All three, but preference in order of priority is for BD and then PP	---	---	---	---	No preference all three are equally important	Question cannot be answered in his format because any point in time there need to be some priority over the other	PP is important but linked strongly to other two	Time dependent, now BD is important in this economic climate
Transfer of mgt. idea company to project level	Through contracts manager verbally as well as written directives for health and safety issues	---	---	---	---	Overall Business Strategy, Tender, Design and Build Coordinator, Project Coordinator, leadership directives and cooperation of all staff	Portfolio of information transfer. Maintaining key faces through out a contract (pre-contract to contract)	Collaborative Planning meeting, BI is important	Through construction manager, client's requirements, face-to- face meeting at the start, relating to clients,

Table 3.4 – Interview summary – Stage-two

APPENDIX 4

Stage 1 – Interviewee A1, Company A, 2007

Q: Good Afternoon [Mr. A1]. I'm at [company A] and I am interviewing [Mr. A1] who is a director of [company A]. As far as I have collected the information about the company, this is not going to grab any job from any place. You are concentrating on local market and then you would like to do some work which has a certain characteristics and I heard from [Mr. A2] that people are very happy to do work specially for churches or some buildings which gives them some prestige.

A: Yes. That's right.

Q: And the other thing which I heard from [Mr. A2] is that, both the directors are going to retire and you haven't come to a conclusion about a strategy about the company. Am I correct? So that's where I am going to start my interview. Now your company structure I am aware of.... there are 2 directors ... [Mr. A2] is the contracts manager. Bellow him you will find your skilled people. And could you kindly elaborate on the future of this company? Strategy what you are going to adopt?

A: Well as you've told... we retire in 2 - 3 years time. So, still I am concern... how we're going to achieve that. So we're strongly concern that we haven't got enough management strength at the moment, we've just walked away from it. So we would like to sell it or import new managers. A2 was quite capable of looking after the construction side. But not the management side of the company at this stage. He might mature in the next 2 or 3 years, but at this stage...and general running of the company... So really we want to resolve it this year or so but... the option we're looking at is to hire a quantity surveyor and an accountant as directors.

Q: So that is the future plan for your company. But at the moment according to the rough idea I've got, this company is doing quite well.

A: Yes.

Q: So if you are going to sell it, aren't you losing some way?

A: The problem is... we never gets out through hands on really..., if we're not like that, the company loses whatever we spend.

Q: May I ask you another question? Now which area actually you are looking after the company?

A: On the general management, IT, contracts side, quantity surveying and final accountswe have got different functions...functions are split between us. So [Mr. X – other director] does tendering, inquiries, ordering.

Q: Yes. It is very important

A: Mr. X also overlook the general running of the company as far as...health and safety...

Q: Do you adopt a certain, what do you call... the government procedures for health and safety because they have so many different requirements.

A: We have to obviously, yes.

Q: A2 is responsible for those things in the sites, or do you have any other people like site agents?

A: We have site managers.

Q: Site managers under A2.

A: Yes.

Q: OK. My next question is now you've informed me about the future and the plans for the company. Now how do you think, if you are not going to sell it, you mentioned you are going to get 2 people. Basically an accountant and a quantity surveyor, how do you plan for that? They are going to be employees in the company... So how are you going to form...during your absence, how are you going to form the company... economically. Because you don't want it to be at the same place, it has to grow.

A: Yes. During quite a short term within those 2-3 years, they would have to handover the directorship and the ownership of the company. That would...we would not want to linger as sort of sleeping directors. We want a complete get out really. So we would hope we could move ...sufficiently fast and they could takeover and run it.

Q: So have you advertised for such people.

A: Not yet, that's one of the things we are going to, we search people for selling it. But we haven't sort of attended to do it ...

Q: So that means you don't have any idea about the current labour market in this. Because many people are having doubts and they have problems related to specific fields, like quantity surveying

A: I think people like ... this business, something we need to sort out sooner.

Q: OK, let's go to my next section, Section b. Now actually my research is to link project performance with the business performance of the company. Usually medium scale contractors they don't have a proper business plan. They are more project oriented. They think that the profit develops from and the project level is what their business gain is. But unfortunately, if you are dealing with 5 projects and if one fails to perform, the company can disappear from the market. So this cash flow problem is quite crucial for medium scale contractors. So, I want to know how you identify business performance and how you relate that business performance to project performance.

A: 8.04 I think we are very selective on clients. We are sort of never advertised. So we're not sort of calling clients who are unknown to us. All our clients are introduced through architects, the surveyors we know and also the public authorities like county council, national in service.

Q: County council, they don't have any requirements that you have to register or something like that. They just contact you through an architect, are they going for open tenders... county council?

A: Yes, you would be in open tender. It would be then invite the tender.

Q: So you tender it.

A: Yes, we would tender. But again I would say the clients generally are ...

Q: You want to do some form of a credit check before you want to take some work for specific clients.

A: **We don't really, naively. But again with generally our clients come to us through another party with a confidence in that introduction.**

Q: OK. Now if I ask you a question, you have a specific link with your clients. You are not doing any job, anywhere something like that. You are so specific in selecting the work. Now it has to be either through your contact or your reputation in the industry? So which one you prioritize there? Is it your relationships, contacts with architects or your reputation, what you have done so far?

A: **9.53 I think both [reputation and relationship] go together really. I mean I like to believe that we have a good reputation. For that reason, we have got a pool of architects and surveyors who would always give us the opportunity of tendering, you see I mean if anything... we're in the fortunate position, where we are able to decline tenders, you know, rather than go looking for them, we get sufficient inquiries for work more than we need, more than we can cope with.**

Q: So then why don't you try to capitalize by expanding the company?

A: We were running it like that last year...I think we tried to expand 15 - 20 years ago...

Q: That means you could not manage the expansion

A: No. Business got out of control really

Q: Which way?

A: **11.00Not able to manage it the way I wanted to and we were getting into cash shortage situations and decided to tighten right board again and we decided to become a big small builder rather than a small big builder. Which makes the business more difficult to get rid of. Because, we are still very involved in the daily running of it. I mean I am the director but also I still push a broom...**

Q: So that means you have a daily job in the company?

A: That's right. But I think its too late now, we wouldn't want to expand...

Q: Yes, you want to enjoy the company.

A: I don't being in a situation like where...president of the company right now... That time has finished and... whether 2 years or 5 years or 10 years. I don't really want to...

Q: Just get involved with these types of ...

A: Hopefully one day we are sitting and everybody is working...It s the value of the company. What is more important to me is the piece of mind and the value of the company rather be out of it. Don't have to worry about health and safety...

Q: Why benefits doesn't get the value out of it or you just really want to...have your piece of mind

A: You know the company and the people want to be satisfactory, you know... But we really have to sort of ...We want to be out.

Q: Yes. Now this type of situation is new. Business is doing well and the construction is good...

A: What I think ...

Q: What I thought was with this Olympic many constructors have moved to London. So in this case, there are only few contractors like you people who don't want to expand, who wants to be localize.

A: Yes. You are quite correct in that respect.

Q: So I that case, don't you think there will be opportunity, now this Olympic is in other 5 years...in there. Don't you think during that time, you will be able to get more business oriented?

A: **Well, we'll take advantage of the market out there. But I don't think lot of ...moral standards in a civilised modern manner sets our strategy not only profits We've sort of other programmes of ...**

Q: Now you have scale down your position?

A: Yes ...So we pay rent to the pension. It is another way of getting ready to scale down operations...in some way it makes more difficult to sell it, because we haven't got a big profile and assets...

Q: Yes, but you have...

A: but ...out of it ...

Q: But you have a name a... a goodwill.

A: **15.20 Oh yes. But ...lot of the goodwill is based on myself and [Mr. X-other director] rather than the company, I would say ...you know perhaps the company is only good the way as far as we're leading it. I think if we go it probably will be a slight... proposition unless we have more chance to pass on ways to next level down sort of...**

Q: Now usually in many countries not only in Britain family takes over...

A: Yes

Q: Yes, now there also you are losing. You don't want to introduce ...

A: I wouldn't want to bring anybody in from my family any way and [other director] either to this business...retiring quite soon you know.

Q: So you have good skilled people in this company. So what will be their future will be then.

A: Difficult, fortunately a lot of them are few months older than us. A lot of are in their 60s.

Q: So they were in this company for such a long time.

A: We don't see problem with them anyway. ...And we are not really employing new people now. If we have to fill the gap we have to do it, but we depend on Agency labour to do it.

Q: But it's temporally...

A: But we don't want to ...we are able to liquidate you know, if we have to rather than ...

Q: But for liquidation, is it easy? There got to be some procedures...

A: Yes...people, older than myself... that's a difficult option in that way.

Q: So let's move on to the next. I need to get your perception or view, on how you will... now we'll forget about the company's present situation. Let me know how you viewed your project performance and overall business performance of the company.

A: In some of the projects we have achieved our targets. We should have been probably more adventurous really. The company is going for 30 years. This industry has got highs and lows. We are still there...

Q: So did you operate like any other contractor or did you have a clear business vision. Which was translated to your project that you have to make this much...

A: I think we cover what we take on now and....try to avoid domestic, small domestic work....we find that doesn't suit us. But probably wouldn't sort of ...we try to avoid repairs.

Q: Maintenance?

A: Yes, and small ...domestic work. But we quite like industrial and commercial type work. We just want to be engaged fully in those.

Q: But it is quite specific. So you need special skills.

A: Yes, we have got in house.

Q: when it comes to commercial and industrial, it is more straight forward...

A: Yes, it is. Yes. It probably gets less input from the client. We just get on with it. Get the contact and you know, we are not sort of...But we do a lot of church work.

Q: But church work is quite specific.

A: It is. But we got lot of skills. But this big part of the work rather than domestic. Domestic is very small operations. Sometimes which you might need one tradesman for 5 hours a day so 3 hours are wasted. So we try to avoid such work and specially maintenance and repairs.

Q: Yes, even though there is big money in that, you need more coordination.

A: Yes, you can make...big money ...

Q: That is again, because that type of work you don't repeat. But when it comes to commercial and schools they are more repetitive types...

A: Yes...work here we can manage all the sub-contractors rather than using our own ...where we've got sort of big commercial....ceiling fixers... It is easier to organizeyou know, it is sort of guarantee and ...

Q: So that means you work with a supply chain.

A: Yes, a lot of our turnover is generated from the sub-contracting...electricians, mechanical engineers...carpenters sometimes, floor finishers, decorators...sub-contract work is at a low margin, but generally

Q: Around 2%.

A: No.

Q: Generally is it 4% -6% like...

A: Yes, small, less than 10%, but we feel...

Q: So that means your pricing is quite competitive....?

A: Hmmm.

Q: When you're subletting?

A: Hmmm....Recently sublet electrical work worth of £ 68,000... we've just priced sort of 7% margin...

Q: So who manages the subbies? Is it you again? What is the type of contract you use there? Is it a material and labour or just labour only contract with out supplying materials?

A: It depends, I mean a big mechanical and electrical ...would be completely given with material and labour.

Q: Small scale work?

A: Yes, I mean, I just going to evaluate a job. One school job we've worked with an electrical contractor. Their monthly valuation is £16,300 and we would get 7.5% on that. Just a but ours' is a hiring company they are right. So they're managing their work, obviously that wouldsort of managing theirsort of site andthere contract is 60% or so from the total.

Q: So you haven't come across any problems regarding sub-contractors any...site problems.

A: No really not. No. they are all... there are new tax systems and ...

Q: Now these people how you select them? Is it something you have a list of them and ...

A: Generally these contractors are literally around the corner and ...

Q: You have entered into business with him, previously or is it...

A: Yes. He would work as a certain local domestic sub-contractor. But in this situation he is nominated by the client. So we had to get a quote from him for this tender for the electrical work. Otherwise we chose electrical contractor, when we get a contract.

A: It is yes.

Q: Now If I summarize that, your business planning based upon your profits am I correct?

A: Yes.

Q: And you choose work based upon....whether it is worthwhile or something like that...

A: Yes. Obviously doing business is to make a profit. We wouldn't ...we also work within the regulations...I think would be selective. If we were asked to do something we didn't agree with, we would not do it. You know. An example...

Q: Yes please.

A: ...where the house is all brick. This house was rendered in a pink color, it was the client's decision, but we were not quite happy to do it. I can't believe what made us to done it. But it is the mission ...understand the client's point of view. But I think...

Q: You think outside is rendered than apply pink colour.

A: Yes, and instead of it is rendered and 3 modern ...quite traditional brick houses.

Q: But it has got planning permission...

A: That's right.

Q: And you have tendered for it and you have got the job.

A: And we have finished it now. Yes, I am trying to give you an example of what we wouldn't do.

Q: Yes. But when you are in a contract agreement you can't...

A: No we wouldn't go in to the agreements like that usually

Q: You don't...

A: No. Getting back to how we generate...how we ...to make profit, but I mean...

Q: Not just... You tried to balance the situation.

A: Oh yes. We have built quite a lot of structures which you can drive around after few years later. We did those you know... Quite a lot I mean 50 million pound worth of work in Leamington

Q: So that means you call yourself as a local builder?

A: Yes.

Q: So my next question is, how and where you formulate your business proposals, business improvements, you must be having director board meetings.

A: Yes. We don't run the board very formally. I mean... where we always can see one another... where we don't need to have a strategy of board meetings.

Q: It is done very informally.

A: Yes.

Q: Who are the people involved in that type of strategic planning?

A: two of us, .myself and [Mr. X]...but we tend to involve A2 for ...everything.

Q: Because he is theremore...

Q: But we don't need, we don't have a formal board meeting .

Q: Now within that informal type of meetings where you discuss the strategy andbusiness performance, what improvements you have to do. Now in your case it is your position... So how much of time as a percentage you allocate to discuss that. Other than your daily jobs...

A: Most probably I spend an hour a day. Probably we are doing 4 o'clock to 6 o'clock at night sort of time.

Q: Every day?

A: Generally...

Q: Isn't that something different, I want to know your business strategy of the company, not the day today things...

A: Well, we probably haven't got ... we attend to things happen generally... We haven't got a sort of carving stoned strategy. I mean we know what we are trying to achieve. We know what we want to do and what we don't want to do. But we...

Q: As and when things pop up in a site you discuss how to solve it.

A: Yes.

Q: That is what you adopt.

A: Yes, You want to do that for all jobs really...good job you know....we don't have a formalized plan or strategy...definitely not. No

Q: Now this company existing for 30 years now and you must be very good. Otherwise you shouldn't be a contractor stay that long. That is what I am investigating why, compare to other businesses, lot of contractors come all of a sudden. But they disappear ...

A: Runs it very hands on. But we don't have sort of set procedures. We have obviously set procedures...our own procedures. We have procedures

Q: That is just cooperating or coordinating in your company.

A: As far as our strategy, I think we must have a strategy, we have never sort of said this is our strategy ...

Q: OK. Now if I ask you another question, now for you to survive 30 years like, how many other contractors are in this particular area?

A: Well normally, there are few bigger ones ... and smaller ones...

Q: Now smaller contractors you meant the people who would deal with the maintenance.

A: And domestic work absolutely.

Q: And the bigger contractors are you referring toand those larger national contractors?

A: Are you familiar within the area?

Q: No

Q: This is the only company I am investigating from this area.

A: There's one other company between probably 2- 2 and half a million turnover in this area. Probably two other companies in this area go up to the sort of 10 million turnover. So it gives us a quite a good window of opportunity to work.

Q: Now usually you are allowed to go for, now if your company's annual turnover is 2.9 or say 3 million a year, then maximum job you can tender is 40% of that isn't it.

A: Well there is no ruling on that, as it happens...perhaps which comes to 40%. At the moment it's about 400,000.

Q: So do you select based upon that sometimes when it comes to a job, school or something like that, if it comes to a certain level... limit... you have a choice either to go for it, or reject it.

A: 36.15 Yes I mean again the public authority would have been only find us within the parameters we are capable. You know they ask us to price jobs that we feel capable of. So they have more faith on us than we have, ha ha ha.....

Q: Yes. That is a quite a strange situation.

A: Yes, I think the size of the jobs we are being offered is never beingfortunately it is always being offering...

Q: So when it come to financial, do you separate your finance or do your just all your cash flows as one.

A: we've got cash in one pot....and we got so many times...

Q: So it has never been an issue for you...

A: It has been a problem for 34 years.

Q: That is at the beginning, is that the reason for you started expanding then you...

A: That's right in this industry ...retentions at the end not being paid 2 and half percent of work done for 12 months. So, for the turnover 2 million. That means £ 50,000 of total income ...That's a quite a difficult situation and my retentions at the moment is £ 520,000. Which is quite a large...capital and the finance ...is quite difficult to us. I think in this industry generally ...£ 70,000 or that sort of a weeks' turnover you know and then the county council....even you get paid in 14 days.

Q: So that way it is sure that you will get your money, not like another private contractor...

A: We are doing only the small domestic jobs at the moment, only because of to keep the cash flow running, the type of work we did 4 years ago. Whenever the...£ 60,000 you paid each of your sub-contractors...just predict...

Q: A happy week for you. I do understand in this industry that cash flow and all the problems. That is one reason for this study. Not like other industries...

A: No, this industry is differentit's a weak area...

Q: That means money can depreciate but fortunately not the pound. Let's move on then. Now you mentioned that you don't discuss strategy in formal way, as and when something pop up you will find a solution. The next question is, now I don't

know whether this conflicts... Do you think that you have to discuss that type of things more, with your experience you can tell me please... Not at this particular moment of time.

A: I think we do discuss but not at this moment, whether we have an effective strategy and then we normally discuss what we are doing and what we have done and what we are going to do Whether we set our ...targets...bit higher ...

Q: So at the moment how many projects you are running?

A: Today 12 projects.

Q: All at a particular area.

A: Yes, actually.

Q: So you try to make a visit to every site or

A: Well A2 run half and

Q: You run

A: Yes...

Q: Will you be able to get a photocopy of that for me please. Just to know how many projects you are handling...

A: At the moment, it would be...that's a big domestic canal work ...We are actually... It is a big project...

Q: Because your company is not on the internet, So It was difficult for me to study about the company before coming...

A: We've got space ...being allocated. But it was never developed.

Q Don't you think that nowadays you need to have some introduction on the net or A: Well I supposed to do it. But at the beginning... So it was being a problem...

Q: So you haven't experienced, problem. So you have neglected.

A: ... at one time ...so arrogant we tend to be in the term ...we had 10 inquiries a day and we turned away...

Q: I feel sad. Because you're getting business at your door step and you are turning them out. It is strange to me. Because you know people are trying hard and pushing to get jobs.

A: We should have a sound strategy. If we set up our management which we could cover that you know... we could take it up ...

Q: Why don't you think about it? Because all the companies which I have visited so far, they are trying their best to get more jobs to establish more I am not saying.

A:that's a problem with that, but again we couldn't ...this is a magazine from a school. So after ...

Q: That is for their benefit, isn't it?

A: ...that's the only advertising we do...

Q: So they gave you a copy.

A: That's rightwe've worked for them. So they catch us all ...

Q: the people who are working.

A: Took all the magazines really, but we are in the yellow pages. That's free. Then we got a blog.

Q: OK let's move on to my next set of questions. It is actually regarding this ...this is called a framework. We call it as EFQM. It is actually the European framework for quality management.

A: OK.

Q: And why I am using it and I am not against it. Or I am not with it. My reason to use it, now these enablers they cover all areas of a construction company. Now this can be used by a contractor. According to their basic concepts, they recommend this - if you use this model do your strategy and everything you can be sure of quality management in a company and it has a business initiative ...So what I am look at is, just these 5 enablers. Those 5 areas I find that they are very crucial for a contractor. So now here you have got leadership, they call it as a leadership driven model... and people, policy and strategy and partnership and resources and your processes. Now by improving these they believe they can achieve best results all the time. Now you were in this business for 30 long years. Now what is your idea first of all about these enablers?

A: 47.42 I think it is certainly, think the leadership thing is a big thing, because I have always been available to talk to anybody in my company and I have never tried to separate myself from the workforce at all so they know that I'm very approachable person and I think that quite good in leadership. I think myself as Boadicea, leading from the front. And I'm not quite sure to say that people as enablers because you're obviously got the right type of people not necessarily, and we always look for, we've obviously got skills and feeling and a wish to work [attitude], I think is more important than straight forward skills. So I was quite selective on the people, we employee.

Q: So that means all these years did you manage to find that type of people who are skilled and who have correct attitude.

A: 49.07 Generally, will not many people think the same as me because most of, lot of my staff have been with me for 25-30 years. They are all individuals with little quirks and they work they get a living, I get a profit I hope. And the client gets a job he is having. Obviously we have got rid of 1 or 2 during the time. But, generally not many people have left. We may be having taken the wrong choice when we took them on or some left only to go on to better things. Q: Moving from there to a better opportunity. Now let me ask that thing... How do you select people like that to fulfill skills as well as attitudes because attitudes are a quite complex thing isn't it?

A: Yes. I think.

Q: Skills you can ask, or test by giving a small piece of work and... you can check, but attitude is a personal thing. You just have a...

A: I think it needs...one or two mistakes...

Q: You knew it before hand? Did you know that when you join these people, these are not the correct people?

A: No as I saw, we have made a couple of mistakes. Generally...has come on well and enjoyed work from his and achieved what we need to achieve you know... Q: As a team.

A: Yes.In fact last few years our framework generally that, lot of sub-contractors. They would have seen come across... the phrase human being, you know... As oppose to some people ...A lot of people come across these. So I... we're finding quite skilled and pleasant and... So at the moment... one of my drivers has done a knee operation. So we have got an agent toa helpful chap, because you know, you are worrying about what you are going to get... But we now have a nice chap on time to do the job and ...

Q: They are all from this area?

A: From... But you know ...10 - 12 miles.

Q: So my next question from ...have you heard about this model?

A: Not really I mean not.

Q: My next question is - if you are given a chance, again we have to forget about the overall flow. If you given the chance which particular area you like to improve in your company?

A: Probably policy and strategy.

Q: Policy and strategy, why you think that?

A: Well I can't see... I think we can have a plan to achieve what we want to achieve with people. I think we have got a lot of resources and contacts and you know...

Q: That's partnership

A: Yes and ...in your terms should sit down and formalize where we should going and you know...

Q: OK.

A: We have got to ...

Q: Yes. That is unfortunate.

A: ...where we going to go...

Q: If I can bring somebody to keep the construction company... My next question is, I should not take more time of yours.... Now you said you want to prioritize, policy and strategy...

A: Yes.

Q: Now is it in the light of your nature of the company, because you didn't have something like that...

A: Yes.

Q: You have achieved the other things...

A: Yes. I think so, I think we have achieved... generally in the middle... But not anything massive....I think if we have a strategy and the policy...we can improve, you know ... So let that...

Q: Next question is you said you are going to improve that particular criteria, now with your experience what is the best method to adopt for a company of this size to improve strategy and policy? The question is written as, how do you go about it... you want to improve policy and strategy. How you are going to do it?

A: I don't know... That's why I wouldn't be doing it for long...

Q: But if you are given another chance by god, now you want to do strategy and policy... Now you want to improve that, I suppose...

A: **55.30 We would want and should have more faith in sort of... what's the wordnot doing our self.**

Q: But some more people who are a level below your managers

A: Anyway, that's all

Q: **What do you call; pass down, some of your responsibilities...Delegate. That is the word for it.**

A: **56.15 You should delegate your work. We tended to carry everything on our shoulders. Because, it is probably easier to do that than passing it to some body.**

Q: Ye, that I think many people have that problem...

A: That is probably the reasonas much expanding as much as we can or should have done or capable on whether we are happy at what we are doing or whether we are happier...

Q: Yes. I do understand that. I think that is also a common problem in this size of companies. People develop the company. So they do everything as owner managers and they don't feel comfortable, giving part of that profitability to somebody and to check it all the time. They feel comfortable doing their job.

A: I mean we got a situation where again from agency we got a ... and he was actually quite a high up manager. Just do it between jobsHe was capable of doing that. And you think you got to go... give them the responsibility...

Q: You have to do it.....

A: He is doing a far better job, managing day to day basis. And I just keep that...go out and seemonth. So yes which is... that... we have a problem...keeping delegating, not have agreed, to a certain it would be done.

Q: It is again very individual thing. People who can delegate, I think they can climb the step like, very much. Now you are in a situation... This situation whether to close it down whether to sell it, or to liquidate it. If you have that back up, then you don't have to, you can be away and people can run and you'll get profit.

A: I have that... I'll work on that...

Q: Yes. I can understand that point now clearly. Next question is...

A: Does that need many questions...

Q: Yes. It is nearing the end... Now actually one before the last question, now we again forget about you are going out of the company. Now you can think, if you can set up a proper management system like that, delegating your jobs to others as we discussed, we say as a managing director, what sort of support you will give to that management team to shape up the improvement of the overall business. Now if I read the question as it is, now what are your expected achievements in a system - a management system as you have chosen, now how would you shape it up to achieve improvement in business performance in the long run?

A: Well we go down the delegation route and...

Q: You are still there in the company and

A: I don't want to look in to things in my way but at least initially, you know ...

Q: You are happy to give them some insights to... and then give an idea how you have operated the business so far. Something like that... and in the meantime, you want to develop their identity as well...

A: That's right.

Q: My last question. What do you think about this mode? It is like this now this is actually accepted by the European countries and you have similar models. E.g. you have amodel in Japan. So in Europe they benchmark companies in different industries. They support this EFQM standard.

A: Well, I think that this supports a company, what should've happen... and yes I think I'll put down on paper and then evento a result, yes.

Q: It has... do you think something like that can enhance the business performance of the company. Now all these criteria we can measure, but my research is not a quantitative research. So I have dropped that. Now they have a value and under each of these 5 enablers, they have another sub criterion, which can be measured in our work sites. I want to know your understanding. You haven't used anything like that, so if you bring in some model or something similar, what do you think... I am coming from academic side, so I know all the theories and I can't put them in to the industry. Because I don't have that practical experience, now you have the practical experience. So my question is this type of a model, will it be suitable for practice to use it in your company.

A: Well. Yes, I think we have to get it.what I have to got to do.I think most this is happening ...

Q: In the practice.

A: Yes. You got to be here. I think it is a ...I think my business performance is happening in that manner without me...

Q: knowing that. So that means it has some value...in that model. OK. Thank you very much.

A: OK. So hope it is a useful.

Q: Yes. It is really valuable.

Stage 1 – Interviewee A2, Company A, 2007

Q: Good afternoon

A: Good afternoon

Q: I'm at [company A] and I'm recording this interview with [interviewee A2]. Thank you very much first of all for giving me this opportunity to conduct this interview.

A: No problem.

Q: So what I want to know is about your company and how you do business and how you differentiate project work from overall business activities. Now my research is actually aiming into a certain gap. What we have identified in the construction industry. People are always doing it as project entities. They don't collectively look into the company's business performance. So there is some problem but we don't know ... That is what I'm investigating into. So shall we follow the questions...?

A: Yes, fine

Q: So how could you tell me about the company structure? What type of company structure you are having. I'm in page 4. I will get this filled before I go.

A: The company structure we've got at the moment 2 directors. One basically is in control of the projects and construction and one is in control of tendering and estimating.

Q: May I ask your position.

A: I'm a contracts manager

Q: So you are basically working with the director who deals with the

A: With the project manager

Q: Ok.

A: Generally as per there is a bit of an overlap and I do some smaller works on the estimating side etc.

Q: So it is a standard structure what you have. There you find them like, and under you have some site agents

A: Yes, site agents and then skilled labours and unskilled labourers.

Q: So do you undertake all different types of work, new build, refurbishments...

A: **2.30 We do, yes, yes all throughout the construction industry but it tends to be our work is within sort of a 25 miles radius. Most of our blokes tend to be mature skilled blokes. So, the average age in the company is probably about 55 to 60. But then we find we get the quality rather than the quantity and bulk of our work is quality work. So it's on church refurbishment or church**

adaptations. You know 2 years ago we built 2 high spec. modern houses new built as and put a lot of refurb work as I say.....

Q: If I ask you a question, you can give me a rough idea. What is the annual turnover like in the company?

A: Didn't do a little bit of a scrap... Last up to May 07 we works from May to May, so it was just under £ 3 million, 2,950,000 to be exact and the year before was 2 and a half.

Q: OK. How many people are there in your company are permanent people like?

A: There is only 4 office staff and then there are...

Q: Other than the directors ...

A: No, 20, full time. Yes.

Q: Now 4 office staff means people who run the office and is these are for sites.

A: Yes, they are all site workers.

Q: The company has to be operated with some sort of a strategy, isn't it. So when it comes to your company what is that strategy?

A: **5.18 It's changed over the years from when I joined. We used to go out and do a lot of smaller jobs, but over the last 5 years we've tried to project ourselves into fewer jobs, but greater value, you know. So our turnover has gone up. But we remain sort of keeping our blokes down to a minimum and pulling in necessary trades elsewhere.**

Q: So you are not going to grab any jobs from the market. You have some certain...

A: **Yes we don't advertise. Which seems quite strange but we...as I say much of our work is... Leamington Spa is a quite a funny place. There is only a certain number of architects and a certain number of builders and it tends to do go in cycles and we just pick and choose our jobs that come through the door. But they tend to be, I would say about 8 regular architects that we work for and we have only worked throughout.**

Q: So architects just pick you...

A: Yes, basically through word of mouth or generally based on previous jobs and getting recommendation from the clients as well really.

Q: Who are the clients you are working at the moment?

A: We do quite a lot of work for the local authority, for the XXX housing trust, for the local churches and there are parishes and then... also get private clients. I mean working generally... I would say, we do a lot of work for Recardo who is a commercial client and...

Q: Is it something like industrial buildings.

A: Yes, exactly that is yes, we do as you've said, we've done specifying in what we actually do. So it can be from portal frames right away through wet brickwork.

Q: So that means you quite diversifying you are doing house building and churches that has specific structures and industrial type of buildings.

A: Yes.

Q: Then my next question is, what is the company strategy for the future. Are you going to maintain the same or do you need to advertise or something like that?

A: 8.32 At the moment its quite a difficult one because 2 directors as I've said... and they are coming up for retirement age, so it's a bit in limbo, how we [operate in the future].

Q: Now you said your architects are recommending you and that means you have a good reputation with the clients, so word of mouth and actually you are getting these jobs. Now was there any set up in the organization... in your company that you are not going to advertise you will build your reputation and then through that you get your jobs or something like that.

A: Now things just evolved over the years really...

Q: So who actually helped to build that profile in the company?

A: Generally the 2 directors, yes.

Q: So they involved with the construction activities, some society, something like that.

A: We are a chartered building company as well. So we are trying to sort of promote that and, part of our letter headings etc. We are a chartered building company.

Q: So there is recognition...

A: Yes and we are NHBC accredited

Q: What do you mean by NHBC

A: The national house building.

Q: So do you have that investors in people award and things like that...

A: No we don't You know we are small company...

Q: If we going to section B how do you identify the need for business improvement in your company.

A: Now you said your directors are in retirement stage, now I do understand, there will be some stage... that people are bit uncertain. Where it will turn to whether it will grow or whether it will stagnate. Something that uncertainty will be they, but in spite of that how you identify the business improvement in the company?

A: We work on a system on our accounts but each individual project is monitored right through, all materials and labour costs are identified particularly for each individual project. So every input to comes in and every bit of labour gets put on particular job cost and that way then we can make sure and follow each job, make sure where it's doing well, and where it's not done.

Q: You don't use any computer package or any thing.

A: Yes, all goes through, I think we use Runstage. It used to be a different, we used to use ...we've got a few problems.....just change our system over recently

Q: So, you sublet your accounts part.

A: No it's all in house. That system we run on the computers.

Q: So all the site invoices, every thing is coming to the office and some body who is responsible for...

A: Yes, all input all the information to the computer and then basically just gets each job has a job number and then everything is allocated to that job number. So that we can follow it rather way through and make sure and see where any areas you know, if we are over spending or you can pick up and identify the extra works that occurred on that project.

Q: If I ask you a question not from here, now if you come across that your project is overrunning your budget what will you do?

A: Well obviously we got to check again to what work should have happened and identify any extra work that's coming, because sometimes the architects fail to give you the variation orders to suit so obviously then you can apply them tovariations. We try to do that as you go along any way. So it just continues and rollover to the final accounts stage.

Q: Then my next question is, how do you distinguish between your project delivery and your business performance. Is there any link between those two? Now this you said all about is how you maintain in your project delivery. Now when it comes to the company's business performance, how you feed it back your project information.

A: 14.25That's done through the 2 directors and myself and then we will sit down and discuss where any improvements need to be or whether we need to take on extra staff or extra labour to fill in areas that we are not performing in.

Q: So my next question is how often the business improvement is discussed at such board meetings?

A: Very informal really. Because as I've said its only 3 of us. So it's very informal it sort of takes place at least once in a week. But it's sort of on the hoof sort of meetings when we find ourselves all in the office because obviously two of us run the projects and we'll generally out on site and are floating around between the jobs sort of 6 out of the 8 hours a day. I'd put it probably normally around 8 hours a day. So it's very flexible, so when we feel the need or we put our heads together, if one of us has a problem. It's very relaxed and you know it seems to work.

Q: Now what percentage you allocate in those meetings to discuss your business performance, you can give a rough answer.

A: I would say it's not very... its pretty far ... around 10 %.

Q: Now do you think that you have to discuss about your business performance more in those meetings, your personal view on it.

A: We do yes, obviously but its not, it depends where, what and whattime really, whether it's labour or resources or whether something more to do with the company.

Q: Yes, that means you always give preference to your projects, more than the business.

A: **17.05 Yes, definitely. That's how we obviously... our reputation is probably how we get that work.**

Q: Now my next set of questions. I'm going to take you through this frame work.

Now, in this framework... have you read or heard about the EFQM framework?

A: I have read some time ago in the CIOB magazine.

Q: Now do you use something like this in your company or...

A: It's not obviously with our being small, medium company. We will probably dynamic, it's more flexible and it happens rather than, yes obviously we've got, we have a structure. But you know you end up with ...2 directors, myself and then a network of on site staff. So it's not a rigid way you know, we're all have our roles, mine sort of overlaps a quite a bit. I would say it's sometimes... it's been more flexible, because we rely on working Forman and sub-contractors quite a lot. So obviously we ...generally they always work before and any way if that happens and...we might take on and view that. Their work, their previous work before hand...

Q: Since you don't use it, I think we can discuss about the framework, because it is applicable, All these things in a construction company. Now if I group this criteria like this , leadership, people, policy and strategy, processes and partnering and resources, now what is you idea? Now if you want to improve your business performance which criteria you will touch first.

A: It would be... it's generally around the people.

Q: Do you have any bad examples for other things, which you can give me from your experience.

A: **20.05 I would say that, it's the partnerships and resources really. Its, we're doing a project at the moment. It's very much how can I say... we are the main contractor. But there are 3 specialist sub-contractors involved and it's more of a... allow our relationship is with contracts and sub-contractors. It is more of a case that we'll working together as a one design team. That the job is evolving as we progress. And I would find that, that partnership of that and getting the communication is where the problem lies on the job, you know, making sure that everyone is at the same point.**

Q: It is bit complicated?

A: Yes, really.

Q: So you don't want to touch such an area for improvement.

A: No, I suppose that's where, because people are expecting... such high specs and new technologies coming in, then you are going to work with more specialist contractors and then its somewhere we got to look to, you know to bring in line with each other with we work and communicate bit better rather than just try to dictate how to do.

Q: And you said you are going to select people, now what is your idea when you prioritize it. What makes you to prioritize people?

A: **22.19 I would say because (a) the people are the clients and we're trying obviously to give them their goal with whether it be new commercial, private but also then there the, on the other side, they are the people that work for us and its all around how we can, you know how to manage those people into performing properly and give us the best results that we want.**

Q: So the next question will be... now this is again based upon your selected criteria, the people. Now how do you think you can improve your performance through people? Which way you think is better to approach people to improve their performance and get better results for the company.

A: Personally, I think its all on individuals, and how you approach each individual. Its not you can't just go and set, why and say everyone has to do it by this. I think its going to be an approach that is more flexible for individuals. So I wouldn't group everyone together and different trades etc. and all have different needs. As operatives go, then I would say then you need a... need a very flexible approach and very individual really. Could be its especially because it's more of a, like a medium size company, I think if you increase the numbers of blokes it would become more black and white rather than more of a relaxed atmosphere in the work process.

Q: So you don't want to just increase the number of people to get work done?

A: No... we can do that. It just would not, without much of work just couldn't ...or ... without... through our operatives or just increase the number slightly.

Q: Next question will be now... do you see any opportunities to develop your company each of in this particular area - people, so find opportunities...

A: Sorry.

Q: Question 3 part B, do you see any opportunities to develop your company through people?

A: Well then again easily trying to encourage youngsters back into the construction industry. We've, got 2 apprentices, at the moment. So we do trying sort of bring them in the early age trying to aim... They probably then tend to leave us and go about... Yes, we do trying encourage them and picking up those people and we tend to get them back then after they have gone off and once settle down in area and then we pick them up and get the experience and come in.

Q: So do you remunerate them for such activities. Now you train people... they go away, they come back again and then do you increase their salary or something for them to retain.

A: Well, I said thatconstruction is a quite strange place, it's limited. But where you find is that the same place is that keep on popping up. So we are have got very stable 20 + employees, permanent employees but then the sub-contractors and contractors that we use go work around different builders within the refurb new builds and maintenance.

Q: OK. So it doesn't affect you company as such...

A: No

Q: But you have a certain structure here, to maintain or to retain people as much as possible rather than kicking them off once you are trained....

A: No, I think most of them stay...so being sort of...for my 5 years here, I haven't seen leavers. I think the average person is being here probably over 10 years, yes a long term then...

Q: My next question is once the process is established... now you have identified the area and you want to retain those people. What sort of a mechanism you will engage to maintain those people and to improve your performance in terms to get good results for you company. Do you have any set structure?

A: No, It's very much based on the individuals. Again its, if one of the employees has a problem then talk to us and we don't have a set whether a way of structure or etc for accounts or, you know it depends on their ability and performance.

Q: How do you measure that?

A: It's through, not just quantity side, its more of the quality and their ability to whether they can work on civilize and how they perform on there own and without too much individual supervision.

Q: So best people are getting hired.

A: Yes that's right. Yes, exactly.

Q: Are they aware about the policy of the company.

A: Yes they are.

Q: They don't make any issues out of that, ...that one person is getting a higher rate but more than... doing the more or less the same job.

A: No, because I think they are all aware of their own capabilities and you know...

Q: Yes you mentioned that you have quite mature people.

A: Yes and they are all aware of thatand weaknesses really.

Q: So next question is, now what are your expected achievements through people's awareness and how you can tight it to your business.

A: 30.28 I would say mainly comes through the type of work we get and a lot of blokes feel quite rewarded in the work that we do, in fact like working in the churches they can go back and they can see something or they know

something is going to be there for the next 50 years or whatever, its not just a job done to the, its quite nice that we get to use, nice... quality materials, not just you know bang a house or we'd done and dusted. It's a case of providing that quality.

Q: It's very nice to here that people are like to be engaged in such type of activity, not just as job. It gives them some pleasure of working in such....

A: Well it's very diverse that the work we do and I would say that most of the work is... because of that diversity it gives you that energy to carry on and look for the next one.

Q: Do you get their information when you are doing the tendering or something like that for your future jobs...

A: Sorry, do we get that...

Q: Now you have a certain set of people to do the jobs in sites. Do you get any type of input from them to tender for future jobs?

A: No, really. We do come back through what we pick up our mechanisms.

Q: So the next is what are your comments the value of this type of a system.

A: Well I think it obviously its structure quite set of large company ...But obviously we all quite aware of, you know... what we should be doing and how we should do it.

Q: In other words that means that you use all these things but not in, a model or something like that...

A: In a specific routine planned.

Q: But in general you touch all these areas.

A: Yes.

Q: Thank you very much

A: No problem

Stage 1 – Interviewee B1, Company B, 2007

Q: I'm at [company D]. Yesterday actually [Mrs X] called me regarding this. This is the only sheet I need the information but it is also not exactyou can get a rough answer soon after our interview. I think [Mrs. X] will be able to do that, yesterday we were discussing about it.

A: Well she is coming through with me.

Q: I'm in the first sheet. OK. I will take that copy then.

A: Can I amend it one or two items ...just to run through, the name of the company and address and what we got here is our turnover at 2007, 5 million a project ended this year and than last year was 3.9 million. So increase turnover about 1.1 million and give projects examples of work ... She got the number of staff on each job but I had to change it...

Q: It's all right. Now here, is it possible for me to get the characteristics for these projects? They are all civil engineering...

A: Yes. I mean, this one here is every thing is groundworks where there are building sites or highways. But it's all related to groundworks, [company B] is a groundworks company basically. So this one here is a new school, a new secondary school. This one here is the work we did with Carrilion on highways work and also an access road to a bridge repair. This one here is a small local recruit development. It's got public house, a nursery I think a shop and a gym. So it's a small local development and this one here is an office block. What you got there is an access road, a foundations and a car park. So I'm trying to get you a bit of variation.

Q: Yes. That is what I am looking at actually. Now when the work is the same thing, when you are repeating, there is no challenge.

A: Yes. We got lots of challenges

Q: Yes, different works... Lets start. Now the first question is what is your company structure like the hierarchy of operating...

A:3.20 We've 2 partners myself and [Mr. B]. We have basically an operating board, which we have a meeting in here in every month.

Q: So that means you have got 6 people

A: No, 4 basically. So we have 2 directors. I deal with commercial side and Barry deals with the production side. Then we have an office general manager and then we have the finance manager. Now the general manager will deal with the running of the office and he'll have under him the finance manager- but he also deals with things like human resources, plant, the vehicles and he'll provide backup for the buying department if people are on holiday and things like that. He'll basically cover the operating in the office, operating of the overhead. That's our basic structure.

Q: So what is your company strategy? You must be having a good company strategy...

A: What we're trying to do is keep a constant turnover. You know it depends on, we talk about strategy... the strategy is to make much money as we can. But we're trying to look at different markets. We're probably in 3 major markets. We work with Carrilion on highways and Barden Aggregates so that's highways work, which a lot of that works in the evenings. We then try and partner with companies. So we do work with people at Gallifordstry. We are partnering with Carrilion to keep the turnover going. And we've been successful basically in getting repeat business from those 2 major clients.

Q: Now do you also sublet your business, apart of your work like.....

A: Part of it, yes. Well, where we need people more specialized than others, like for instance if we do deep drainage, we don't do very often we bring in

people we know, we trust and they would do draining 6 meters down. We normally cope with drainage down 2 -3 meters but if get drainages that long way down you need people that know what they're doing. You can reduce the risk. We also use sub-contractors for concreting. If we've got to produce high specification floors, we will bring in expertise of people one of the companies that actually ex director of this company so he used to work. He basically was a board member but decided to detach himself from us. But we still employ him for his skills and we'll employ sub-contractors, if we got one off situation.

Q: Then you better bring that to a specialist rather than you try it on trial and error basis.

A: But I would think, as part of that 5 million pound turnover this year, only 200,000 is been sublet. So the majority of the work we do is all in-house all ourselves.

Q: Now you are a basically a groundworkss contractor but you mention something about concreting...floors. So is it also covering under groundworkss here?

A: Sometimes contractors, main contractors will sublet it, as a separate package. It's a separate specialty, at the times they have asked us ...

Q: Only the groundworks part ...

A: So sometimes we get the opportunity to pricebut we're putting special prices...it's like lot of ... paving and paving finishes. You get their sub-contractors just do paving. We do paving also. But if we get a lot of it, they might bring somebody that we use frequently to help ourselves. We try not to use people as a risk and we probably would not price it. We only do things we are happy with knowledge and if possible we could do ourselves get pushed. You don't want a keep specialist within the company, you don't use specially... You want to employee them overtime. Our scope is foundations, drainage, and not deep drainage really. I mean at the moment we got a job where we're doing quarter million pounds. But 2 of the gangs are without work...but we got another 2 gangs which are sub-contracting to us. So they are helping our gangs to learn the trade. It's all working out quite well.

Q: Are you doing something like this regularly? Now you said 2 of your gangs are working with 2 external gangs. So are you doing something like partnering to train your people with them?

A: I suppose you can turn it as partnering. It's physically employing 2 small companies. Because both individual companies we bring them in. Because they want work for many different contractors and we put them into. Yes they are working with our teams as well and help us manage. But we haven't got, I wouldn't say this specifically measure the training program. People are very strange; they'll learn but if you tell them ...run away. They get frightened, they are not like ourselves ...and if you tell there is a training program going on, they

will...If you put them... people to learn naturally they will learn it and then if you got ...towards the end, if you talk to them...they will be scared.

Q: Will you be able to use your people later on for your deep drainage work?

A: Yes, we do. Yes we have done that in the past. Where people pick up the skills and then they work on their own. But there is no formal training program in industry. I mean we start into, I mean we started to bring in NVQs, but there is no formal training. It's not like electrical, mechanical where you get certificates.

Q: You need to have that certificate to practice, but in construction there is nothing like that?

A: They started with NVQs National vocational qualification certificates. But this is in the early stages...to build bricklayer 30 to 40 years ago. You had to have your 7 years of training recording but you have to prove your bricklaying skills. Now anybody can say a bricklayer. They can't build bricks properly but even they couldn't... they are bricklayers. And the problem with groundworks, becauselike painters, we don't just paint. We do drainage, we do steel work, steel fixing, we do concreting, we do drain laying. So they have to be very skilled, do paving, they have to beexcavatorssome of the things like mobile platforms and they all have to have... certificates and have to make sure ... of certificates ...but it is a multi skilled industry and it causes us problems because we have to keep all these skilled people working.

Q: So it is not easy to keep them in your company for a long-term planning.

A: Yes, we have to find different types of work, for different gangs and we got to keep those guys, employ them on a continue basis, I mean with more being successful in repeat business through the product. Our product like, that school there, that's the 5th brand new school, we've done in the past 2 years with that company and you wouldn't get repeat businesses if you didn't get the first one right. So the product has to be right so we hope to keep the people going, and we basically say to them if you do a good job we get the next one, we get the next one and we do...

Q: So you have some form of a strategy with incorporates quality.

A: **If we don't produce the quality you don't get repeat business. And what we are trying to do, end of each job is get somebody to say [company B] do a good job, we can use it on our website, we look at highways, we look at housing and we look at commercial work in the public sector. We possibly think at the moment our strategy is we got too many fingers in the pie. We should concentrate on highways and commercial work and not so much on housing.**

Q: Housing in your sector is quite small chunk of work compare to commercial and highways.

A: Yes. I mean at the moment it's about, last year it's probably it's been about a third of our turnover.

Q: That means it's quite considerable then.

A: We did a lot of work this year with Inspace. We've done work locally for Barry Harveytimes we done work locally for Jackson Carter Whelmor and as I say we are just finishing off 4 jobs for Inspace. But you find in different sectors are different profit margins. Housing is very competitive. So you have to get it right first time. You don't always get things right the first time.

Q: Yes every site is different.

A: Highways is quite good from the profit margin point of view and then the middle one the average sort of price is commercial. It's us has to be competitive as well don't you need it, but its [straight forward work]

Q: But it is straight forward work. Isn't it? Compared to....

A: It is. Yes. We are better suited 9 we've got 8 weeks work and we know what are our targets are and we...self disciplined projects. If somebody gives us a 14 months to 2 year project things tend to drift a bit and we've learned if you like, we are not so good because our management ...

Q: Keeping every thing to...management is important.

A: We have problems and one of the problems is that if you employ a bad manager it costs a lot of money. In the past year we've gone through 3 contracts managers. We never had a contracts manager and then we've expanded. We felt that we need a contracts manager. We employed a contract manager last September and he lasted about 6 weeks. He just couldn't do his job. We employed another one in December and he lasted 4 weeks and we recently had a guy for 6 months who's had to go as well. Because he won't follow what we are trying to control and we realized that if we can't get the right people, then that figure 5 million pound turnover next year will go down. And we'll control the business better because no point in turning over more money, if you're not making any more money. You now make more money turning over 3.9...

Q: Without a proper contracts manager

A: If actually turned over if you like another 1.1 million and not made any more money. What's the point? When our minds are happy with our lot if you like. You know me and Barry directors minds will be happy rather than be stressed out try to rely on bringing in expertise if we can't find it. When industries got a big problem I think at the moment. It's a lot of work and people say they're managers, they are not, kind of thing. If you are a big organization you cope with and you can cope with that because you can get internal training.

Q: That loss of one person you can cope with, cover it up some way but when it comes to a certain case medium sized contractors...

A: We left a lot of work being controlled by contracts manager. He didn't want us to do it. May be he want to do it... He wanted it his way.....We let him doing his

way, and then we find ...won't do it because we don't know once we know whether we do it right. We know what we were doing. We do it well. Because we want to make money at 3.9, and we say to increase and get a little bit too....for ourselves. May be not right, then you find not losinggo back to what happened. So that's the sort of strategy we have got at the moment is. We got a good organization. We will built business with the people be happy with.

Q: So you find that management is important but for that you need right people

A: And the problem is how do you find the right people? Because your contracts managers want to be part of an organization that's tried and tested. May be with things like pension schemes, bonuses, good salaries, good car and we're a young company.

Q: You can't afford all those things without much production from them.

A: Yes, and it's difficult to say advertise and procure that person because people are out there but they want work for organizations that have got bigger profiles than us. And it's difficult to bring people on board. The ones we've got on board are quite good because people are working here have been here a while we got a good organization. But sometimes to bring in a fundamental person looking for is difficult.

Q: So you may be able to get people for lower level but not for medium middle level.

A: We can promote people from within.

Q: Yes I think that is the best solution

A: But the people that we're looking for, we know, we haven't got the staff to promote. So what we doing is we're bringing up people to a level, when we can control them more, so rather than have one contracts manager we're putting 3 managers in place. We're promoting 3 people to another level to help cope with it, and you know its working. It's bit of a change. We are happy with it.

Q: Yes, every thing, management is going to be important in future as well.

A: And then if we find the right person in the future, we will bring on board ...

Q: So at the moment people were involved in certain creation and development of the strategy is only 4 board members in this company... 2 directors and the other 2 - General manager and the finance person

A: Yes...

Q: So you mention that there are 3 managers instead of a contracts manager for this company. So those 3 managers they not forming part of your company's management structure?

A: No they would be in charge of the sites. So they have a 1 site rather than a contracts manager looking after 3 sites. What we've done is we have promoted good employees who were working for us for long time. That's the way we've done. Giving them the ability to order materials, to request materials... rather than

the contracts manager doing it. Contract manager would have done 3 or 4 contracts and control... but if we...promote one person to higher level to give him that.

Q: One particular set.

A: May be 2.

Q: Yes, Once they are trained...

A: It all depends how they attend to the job.

Q: It's a good explanation for section A. Lets got to section B then. How do you identify the need for the business improvement in your company?

A: I'm not quite sure...meaning for...because I...

Q: Actually my research originates from there. There is a big discrepancy in a contractor. They are always project oriented. They don't have so called business plan. They always depend upon project performance. They want to get that right and they think that business performance will be created through the project performance. But truly speaking now if 1 or 2 projects were not done correctly and if you loose in that, whole company will collapse, due to the non availability of a business plan. So how do you see that in your company?

A: Well, it's funny. Because we just gone to a different level, with the banks. We have gone from business banking to corporate banking ... and because the size of the business. And they ask me the same question. Because we have never borrowed money basically... because normally they'll give you banking arrangement if you like it and lend you money as long as you put a purposeful management plan in place. We never actually had to do that.

Q: Yes you are rolling the cash flow.

A: We roll the cash flow. The profits are going into financing the increased turnover. So we, about 12 months ago we went to corporate banking which mean, we're not dealing with the local bank we're dealing like with the area bank at Milton Keynes. And a guy came in here, sat down there at the same place you are sitting down now asked what's your business plan. Our business plan has basically been what business are we able to get....We haven't sat down there and we haven't said we're going to go after this and the other. [Mr. Z] my partner looks at what he's good at and I've to look at what I'm good at we've gone for less clients. We basically got our targets always been what we are able to control. But we've never put that into writing. We are now because we've got a board of that sits 4 of us sit monthly. We're now try to control our focus. We have learnt from the mistakes we have made. You can't go after everything You've got to look at what you are good at and what you are bad at and, this is going to be the first year January 2008 we start to project our overhead level. We start project the level of staff. We start to project the number of contracts we want to win, our marketing strategy, it always tended to be, the work we have will go for the work when we've got

time when the turnover drops. But we've been so lucky. So..so we manage to keep a constant growth. So whatever we'll be doing has been right but it's never been written down and targeted.

Q: So do you think that, there you have done a mistake.

A: No I don't think. If we haven't done, trying something else. We haven't look to the manual and said this is a small builder does or a small groundworker does we....and worked our plan. [other partner] has come from a background being a tradesman...I have come from background being a commercial manager. We are not business people. We are turning ourselves into business people. But it comes from, if you like our trades and so we have sat down

Q: You have merged the 2 trades together and build successful business. But you haven't noted the good points of that....

A: We do. That's what exactly what we're doing at the moment. We had a financial review... We've looked at what we were good at and we were bad at and what we are trying to do now is recognize our faults and looking at the markets....come January. We are looking at the markets we want to work in, so that we can work it; and if you depend on the market there and if the market is not there. If you want to do housing, there are no houses to build... you can't build houses. So we are looking at the moment at highways and commercial work. Now there are many changes going over there... in highways. The areas we were doing, which is run by highways agency, it got about 10 areas in UK and the area we do is vanishes into midway through 2008 and our strategy is £ 2.5 millionnot there, because we have to agree reapply. We are not successful. We have to change our strategy somewhere else. We are working... looking at 2 areas...I didn't think to stop doing highways but I think companies might be doing it. Because they take part of the highways agency. At the moment Carillion doing this area. We have to be little bit flexible depending upon what happens.

Q: ...what is the market going to be and do you have to adjust your strategy...

A: Yes. We know it's almost going to be far amount of mileage of basic groundworks. We know that... are quite good in next 5 years. Because we are...on the Olympics and in the next 2 to 3 years the Olympics...So people going down to that area leaving this area. We don't want to go down there. We want to be working locally. We have been working previously. Previous years we worked up in Nottingham, we worked up in... Liverpool, Bristol, North London and what we trying to do and it worth's locally. So that we can get...of local people who want to work with us rather than have to pick up people.

Q: People in that particular area and manage...

A: We enjoy trying to work locally. We want to be known as a local groundworker who will travel about an hour in any direction. So that takes in Cambridge. It takes in Peterborough it takes in Leicester it takes in

Northampton may be the edge of Birmingham. You know we were looking at jobs in Edgebaston I think. Because we do partnering with other companies, but the jobs tends not come as frequently. We have been doing work for a company called Multibuild who build the Premier Lodges and Beefeaters. We have done 3 of those. So we've got a partnering arrangement but sometimes you won't hear from them for a year and then they'll ring you up and say there is a job in Corby and another job in Kettering ...and you price them and you probably won't hear for another 3 months. Because they are sorting out their bid and then they'll say Mike it is up on next week.

Q: Yes that's the business. Construction is very unpredictable.

A: Yes. I mean you think you got a job and then you haven't got a job.

Q: Yes, uncertainty is there.

A: Because one of the problems is the contracts and individual people you deal with. There say a few backhanders, industries I call industries I suppose. We do our strategy. But I think our value being with Premier now this is my 3rd year and I think at the end of this year would literally be planning more.

Q: Yes. With your 3 years experience you will be in a position to

A: 29.44Yes. We know our failures...we know our good points. We are good at highways, because they are short-term projects; we can control lot better than the long-term projects. Because we can't find a good contracts manager...We, more concentrate in the short term projects.

Q: So here, now how are you distinguishing your project delivery and your business improvement

A: Well as I said, we noticed side effects, we noticed our bad points.

Q: And you are going to incorporate

A: Well we are going to...that turnover. We had a failure in management and we got rid of them until we find another man.

Q: Yes you are not going for long term projects

A: Yes, and that person would responsible for housing and housing is not being too good for us. So if we can't find the right man for us, what's point of turning over ... 5million pound...and loosing money? So that's our plan. The rest of it works very well. I mean we have been here a year. And we got the master of art...because of what we got. If you stuck ..., you will loosing all sites. So it takes time to get the office, this office ...here.....2 years of service ...build ...to this structure.

Q: For your heavy machinery and things...

A: Luckily they are... also working. We got aof aboutlabourers around. We got about 50 workers. So some of them use their own vehicles. Some of them have our plant. We have got few lorries that we use and we got about 6 or 7 excavators. If we need more than that we hire them in. So depending on the work

hours, we have to keep all our machinery going all the time and we hire employees ...and then what we got the ... to be standing in here. We have some plants that work day and night.

Q: So you know how and when to replace them, otherwise you just don't bug. You rely on your hiring...

A: Our strategy is being that if we can say 6 months work ...Part of [Mr. Y] my general managers job is control the plants. Because it has to be serviced, has to be maintain it...when they become 4 years old, you replace them. So he controls that as well. We don't use the lease hire or finance. We do through bank rather than ...We got ...vehicle. Because we not that...we haven't got a fleet of 500 vehicles. We have got ... as well. We've got a couple of trailers take the plough around and we don't try to make sure that they are standing.

Q: You don't hire them; your sub-contractors get it...

A: **We do hire them. Well if the sub-contractors need plant we hire it in for them. We only employee them only labour based. They may have small plants but nothing major.**

Q: Because even a small scale groundworks contractor, you need to have a certain amount of plant and machinery. You have to be in a position to invest on them.

A: It's also our profile. If you are on site and if you got machinery, on your colours with your name, people know that is you are doing it. If you are on site with hiring equipments with 3 or 4 different companies and your highway is not....effective you look bunch of cow boys. We try to create a good profile where everybody is...on highways and everybody has to wear the yellow jacket, have to ware the hats, wear the boots...everybody has to be trained to use the equipment and wearAll the records that we have to got through all the trainings is quite intense. But we do it and get work.

Q: So do you discuss your... you actually answered that question, improvements discussed at the board levels and your planning in 2007 going to put them in writing form .The business plans.

A: Well these are many different themes, various reports and.

Q: Do you maintain board meeting minutes with you.

A: Yes.

Q: Is it possible for me to get few of them. You can actually erase all the important or confidential stuff. This is just for my purpose. These documents are not going anywhere that I can guarantee to you.

A: The board meetings as they are monthly and as... shall we say we have 1 or 2 crisis ...which we resolve but the minutes tend to reflect that. So I would like keep out that sort of confidential. Because anything we doing here ...for last 9 months. I'll see I could find some ...not marginal ...

Q: Just a model, something like that.

A: We start like all businesses should start with discussing health and safety.

Q: Yes, it's a big thing anyway

A: Yes. Everybody wants to sing before anybody talks about anything so they talks about health and safety, that's what we do. We talk about our personnel, we talk about the plant, the buying, are we buying right and we got a buyer here. And then we spend awful lot of time talking about jobs that aren't going well trying and make sure we put that right because if we don't there's no point in us being there. So there are various reports to help us monthly to show our monthly progress.

Q: Now this business improvement thing, how much of time you allocate your board meetings to discuss on that

A: Well I mean we have various months during the ...month...

Q: But they are not called board meetings.

A: They are not called board meetings

Q: How often do you have these board meetings?

A: So its once a month. I called it a board meeting , yes it is a board meeting and every 6 months we have a meeting with our accountant .As not we have discuss.....in between them. But we do have a formal meeting with the accountant every 6 months and then he highlights to us what are We know them anyway.

Q: Because you have an accountant

A: Yes. She is quite good

Q: If I ask you who your accountants are.

A: (name)...and that's where our office is registered.

Q: So they are your company secretary as well.

A: Yes. We have a girl here who is in charge of finance training to be an accountant any way. So she is very heard worker she produce the information, the accounts... doing is basically...basically accountants are doing...and do formal notifications to the ...and the company's doing in-house . Because of fees, the accountant actually getting here for a day...probably about 2 days at the end of the 6 months.

Q: Just 2 provide those reports for you

A: they basically take...from computer ask a few questions and produce the accounts. So we get 6 months accounts 12 months' accounts.

Q: If ask you the question again how much of a percentage you allocate to discuss the business improvement in your board meeting

A: I would think in the last 2 meetings it's been like 80%. It relies....going on. It depends on things going right and things going wrong, people... Our team talks lot about things are going wrong. We won't talk about anything going right.

Q: It's...no point, because if the thing is going right...

A: But it could be So that's the discussion going onconcentratethings about life....

Q: Yes that way you are correct. You have to think about the good things, what are the.... that you are doing good for that job to be turned as a good job. That is important as well.

A: So what we decided is ...what the point of ...isbecause it does with the sector, housingand the people make a lot of money from it ...We are trying to right. ...concentrate on what we do right and that's what we are doing

Q: So do you think that you need to talk about business improvement more than 80% in future board meetings

A: One thing I say at the board meetings just like ...we need to talk more about positive things and build upon those and that's what we are trying to do... we are trying to eliminate. So we do talk about good things. Because we could serve ourselves better. If we doing say 30% of our work, something is going very well. May be ...going 60% of our work but then ...and if ...Mr. Brown decide ...work more on highways, ...So one market. So that's what we trying to do. We have to think about it. But I mean as we resolve our problems, we will spend less time talking about the ...

Q: Do you have some form of a ...in your construction, there is anything called marketing strategy? Usually you are partnered with some other company and you get repeat business. But in this company do you have any form of advertising or marketing yourselves to others. Now you mentioned about....

A: We do. We have just got a website running. So obviously we are writing letters to companies that are new to us and we'll link them to the web site and in the web site would probably have notifications about our method statements general information. We have an information pack that we send to our new clients. But has lot of that has been done in the past and we've got the clients we want. We've got enough clients. We don't want to start introducing ourselves to new clients. We've got enough clients. What we want is more of their markets...what we want do... we want our class as blue-chip people who have been established for a long time and we've got enough of those at the moment that give us work.If you like to prove ourselves to get a bigger proportion of their pie. So if I said to you we worked for Gallifords we have had good chunk of work, last 2 years. We have been partnering with them now that's been successful, hopefully negotiations with another school. We just started a new school we're trying to get a special school in Northampton. So we're working really with top 10 clients we've got rather than look for new clients.

Q: Yes you don't have a requirement just to expand. You have a good set of clients at the moment with you ... where you are keeping busy and you want more work from those known clients

A: Yes. That's the idea. And to that we have met those people, upgraded health and safety. Because health and safety is going up... Different qualifications we need, different systems we need which has the governments health and safety scheme. We're accredited by chairs

Q: What is chair stand for? Is it there on your web site?

A: Its there in the website. It's a government funded standard.

Q: You have mentioned CSCS

A: Yes that's also government accredited... That's where people going to health and safety questionnaire... It's a very basic ...standard. Everybody needs to be CSCS ...accredited, and also safe contracts that most companies used private funded organization ...safe contractors prove as well. What do you mean ...You got systems, you use health and safety, you train everybody. You monitor your performance basically ...can prove it. It's like quite...

Q: Certain standard

A:if you like to call ...

Q: That's again with the construction industry. Because all these systems coming from somewhere and, If you can't tick the boxes you are out from the business. Let's go to section C, now, this actually about EFQM framework. You must have heard about it sometime

A: No. I haven't

Q: I will quickly brief it to you. This is actually a quality management framework, which is used basically in large scale construction companies and here you have this 5 enablers which actually covers any size of a company. So this model is quite flexible and why I am using it is, now rather than ask you different questions coming from different areas, I thought better to have a model like this and put it in front of us when we are talking about quality management part. Do you use any of these areas for business improvement?

A: I mean, obviously we run the company from the directors down that means the leadership. I mean if you can't get right people you can't do anyway. If you haven't got the right managers, if you haven't got the right tradesman so, you know if people are not available, then you can't start a business. People need to be available in area there is no point in us trying to look for contractors in London. We want local work, local people. Policy and strategy, yes, I mean we have it naturally as I said to you formalize it more. So that everybody is aware in the office what we're trying to get. Because different people bring us different needs in. We got a buyer for instance; he would talk to reps from other supplying companies who tell him about jobs so might be up our street sometime looking for a groundworker blah blah... it all depends whether it fits into our plans. We got managers out there going to functions and come back- have you heard about this job? so they sort of link in.

Q: It is some sort of like word of mouth.

A: Sometimes, yes. We will pick the contract from the back of ...somebody else, somebody down the road and we happen to be available.

Q: Yes, if it comes on the right time

A: Yes, and if we looking for work, and a job comes about but we've got to travel, we travel, but we trying to keep things local and partnerships and resources, we try to control our business more through partnerships and resources. Because it guarantees you more turnover, more...more sustainable turnover. You know what's coming up in 2 years' time, 10 years' time you know with the likes of Carillon, with the likes of Gallifords and Partner Rangers we have...We were hoping to do with Inspace if I honest with you...but we are thinking twice about our housing side. But that was trying to build up partnering arrangement on an unofficial level, every job would be tendered but we know what tenders are available. So you've got to repeat the tenders. That's important. I mean that the processes, the things like ...way I look at these processes is the contractual arrangements we have you know, how do you tender, how do you win the jobs - is that your understanding what the process is on.

Q: processes can be understood like that or you can say that process you undertake to win a job and to do a job, to complete a job.

A: It... don't depend... you see private contracts is very risky. They put all the problems on your shoulders ...if the terms and condition are favourable....We might beThey wont pay for 3 months. In my business ...we can't do. So that's sometimes influences sort of ...We need to be paid in 2 weeks, we need to be paid 4 weeks. So all those sort of situations

Q: Now if I ask you another question not from the EFQM area, your directors have a day to day role to play...
(Recorder stopped)

Stage 1 – Interviewee C1, Company C, 2007

Q: My first question is, I would like to know little bit about your company structure please.

A: OK. The company's organization structure little about pyramids, pyramid structure. So the Directors at the top associate directors, senior management, and then the staff which is the office admin and production staff, and site management part of the business.

Q: It is like the standard hierarchy....

A: Yes, It is fairly standard. Sometimes in tender presentations we show it as a Spidergram where we got the directors in the middle then we can shape it up like that or I think traditionally it's a pyramid shape

Q: Then do you have a specific strategy to operate to your company?

A: 1.05We do yeah. It is... yes we look at turnover what we want to achieve as turnover. We are a 30 million pound construction company that's what we aim to achieve every year, set budgets in line with that 30 million pound turnover and we run the business through estimating and tendering to achieve that level of turnover for us. It suits the operation of the business and it suits the resources we have within the business and we can make a suitable profit.

Q: When you say that 30 million is it a flat or are you going to add a certain percentage when it goes to the next year like...

A: We normally add sort of ...sort of...5% something like that because that suit the development of staff and the extra knowledge that the company gaining and hopefully the better reputation within the industry brings in more work from that perspective as well.

Q: Actually I read that [Company C] is a very good company which does lot of heritage work

A: Absolutely yeah. We have got good reputation you know we have to protect that every single year. We are going for 154 years, such a long history. We need to maintain that. We also need to change to accommodate new markets as well. So...

Q: So what you are planning for the future in you company if you are going to have that 30 million target?

A: 2.3330 million will be the current. Probably in 2007 – 2008 we will be looking at say £ 32 million. It depends on the market buoyancy to a large degree, I mean the market is fairly good and it is expected to be fairly good for the next five years particularly up to the Olympic dead line. It might be, there after a drop. We don't know yet. But it is going to sustain it self over next few years. As long as we don't grow too large, we get too greedy, we gear up too much and the company should sustain itself over that period and we just look for indicators and perhaps gear down as necessary; if we need to do much in the future.

Q: So that's your future

A: we are looking to increase but it is only by a percentage or depending on man-power and resources obviously and also the type of work that comes in. We might be successful on 2 or 3 five million pound tenders which they might take it well above that. But it would have involved 2 to3 projects, it depends on the type of work comes in as well.

Q: I think you have already answered the fourth question, how you are forming it so it depends upon the work

A: It is the strategy. That we sort of set out dates and we review every year sort of end of the financial year beginning the next, inline with setting budgets and so on.
Q: So now I can clearly see that you are in to business performance .Your strategy comes from that point of view not from the project

A: **We do distinguish between the two. Because that's quite critical that is production. That's the coal face in the business. Here [raising the hand up] commercially you have to run it as separate, sort of the thinking process. So we got a clear vision on the separation between the two definitely.**

Q: **If you can kindly tell me which people are involved in creation and development of strategy?**

A: Ummm.....Directors within the company and also the associate directors included we have most probably altogether seven may be eight people involved in the strategy and sometimes we bounce that often with external resources as well. We have got an external business advisor. So, that we can test that against the use, as a sounding board, if you like to. He was probably more aware of the industry and the external markets. We use somebody else's experience as well just to bounce off ideas to see the relevance of idea really.

Q: So your business adviser, you said he is out side your business... consultant?

A: Yes, He is a business consultant absolutely. We only use him couple of days a year we run the new strategy by just to get him to test its robustness if you like, to make sure that we are not sort of barking up the wrong tree.

Q: Is he giving you the service like comparison your position with respective to some the other companies

A: Correct our competitors within the market. He would know through his business network how they're performing, what they're doing to make their firm performance.

Q: So they give u some assurance that you are in the right track or something like that

A: Yes. That is what we looking for... yeah...

Q: That is his advice...?

A: In case we decide what we are going to do, work on railway lines and finding two years time nobody will doing work on railway lines. It's a case of just make you sure the market routes is sort of lengthy one sustainable really. We think we know all about it but best to get somebody, just call the companies and we have to look at the whole region like.

Q: If u can give me some examples to that particular thing now people who are involved the particular area of creating this business development, I think one example will be alright

A: Probably the best example is the way the industry is changing through procurement. The procurement methods of these days are lot of emphasis on the

framework agreements. So large contractors they are taking large chunks of construction work from local authorities and government where they building prisons or schools and there is lot of frameworks around the region that actually has 5 year programs to build so many houses and so many schools and so on and because we are not sort of qualified as a company in terms of size, to be able to compete against the market; we have taken a strategic view on actually involving into a sort of sub-contracts construction company. So rather than us being the main contractor to build a school we are happy to come and do a specific role. So we are happy to do say 20 or 30% of the overall work as a sub-contractor to another main contractor. So I think there's a quite enough fundamental change for us because we used to going on to site; we are normally the main contractor; we are organizing and managing all the processes whereas a sub-contractor it that limits quite a lot in terms of your saying, design, meetings.....so on. You become quite specific in your element of work.

Q: Has it effected in anyway in your business strategy

A: 9.00 It has because... it has allowed for us to be more successful with work because of that approach. If we stood on the outside went for, main contracting strategy as an overall strategy, that would affect turnover. Because the whole industry is moving towards frameworks and we would be limited in what we'd actually achieve in terms of turnover and work wise success .We sort of deciding that's what we need to do; we need to become a sort of large sub-contractor. So particularly on the elements like restoration where large contractors haven't got those skills; we can go and offer those skills on a sub-contract basis. We've got sort of evidence in 5 to 6 projects we carried out in the last 12 months, where we have taken on that role it's been successful and we've made money from those processes. Had we stayed in main contracts we wouldn't have done 6 projects. So it helps to sort of maintain or enhance our turnover for this year.

Q: When it comes to management part is it easy or difficult?

A: It is easier err... fundamentally, but it's a change in the mind sets for our resources for our managers because they are used to having the last say to make the decision. We are now ...we have become a part of the decision process which actually limits the amount of wait they have behind the decision process if you like. I think it limits its how much contribution they can make. We add normally our contribution to encapsulate all the decisions for site projects. It is the change .is the fundamental issue in mind set for our guys.....

Q: Let's go to section B. How do you identify the need for business improvement in your organization?

A: 10.59 I think by using the data that comes back from projects, we check project performance. We try to analyze the good things and the bad things in

the project. Finally if we have a project that's lost money in a particular way then we try and analyze the reasons for that. If it has made money in another particular way, we try to analyze that. Then utilize the good and the bad from the data to actually reshape what we are doing. If we need to improve the business in this way or stop the business in another way because of certain processes that are not successful then we sort of use that. What we are trying to do is not just use written data we get the team at the end of the project. We all talk about the project. Then we get the perception from the site manager and the contracts manager and the surveyor. The site manager might say fantastic job, I loved it, it is the best job I have ever did. But the contacts manager might say we had the worst sub-contractors and it was very difficult for me. Then the surveyor might say we did not make money, it was a nice job but we did not make any money. I think you bring all that together along with the data then you analyze the project - was this project good for us and then you can turn that into information that at estimating and tender stage, we can utilize it a lot. What were the lessons that we learned? How do we need to feed that back in? Does it have any effect on general strategy or our procurement process? Same applies with health and safety and the general processes within the business really. So analyze them, look where has it gone right and wrong and then just keep taking around that changing circle really. Constantly we are reviewing our work, probably what we do best and use the communication tools we've got and available; to make sure that we can analyze, have we need to change strategy?

Q: Do you use any particular system?

A: I think what we use is a sort of, we got a software of the process we use which is called 'deema' which gives the raw data for financial performances of the project and then we use meetings and project specific information from the site files and files that brought together by surveyor and the contracts manager. So we trying to bring in financial data and physical data if you like - then people data and trying to bring them together and then when we got that information, then we pass that back out to the other end of business side; the procurement end. The estimating and Tendering end get them to use that information for the next month. So we don't make the same mistake twice or thrice

And then it is my job as the contracts director to again take that knowledge and do somethingwe need to look at the process on the construction site change the method in the way we are doing the work. So again just bringing the knowledge together in one central position allows one historical data to come in also to develop it into new strategy and the way we shaping the business really

Q: This package... I think I have not heard about this package. I think it seems to be quite useful because you can retrieve data in different forms.

A: Absolutely yeah...within 2 weeks of whole payments to sub-contractors , suppliers, labour, we have raw data that actually tells us how the project is performing and we can turn that immediately into a reaction on the project. If you are losing money in a particular area, we can go in and have a look in that .. hang on before we loose any more money... So I think before we losing any more money it is a better way of doing this, it sort of flags us gives us early warning, gives us current issues also for future strategy as well.

Q: you said you are the contracts director

A: Yes

Q: My next question is how do you distinguish between your project delivery; what we have just discussed from your business improvement?

A: I think the way we do that is the power which we just talked about involve everybody, it affects everybody and that sort of the business core like. But beyond that there are certain points in there that we take the support of the board level that we actually present to the board and say we are having a repeat effect in a certain process, therefore it might be re-strategize as a department or particular work element. And then we take that into the board room, say how that benefits in with the overall strategy. Because it might be as small thing at this stage for the production side .But actually what it might be in terms of business it could be ... that's were we are losing money in a particular area. So therefore we can look at the business as a whole and so are we maximizing our opportunities to make profits. Or are we by keep nurturing these faults are we actually denying our selves success and sustainability within the business? So we do take it up into the helicopter if you like, and actually analyze it from above as well, see where it affects the business and where we take the business and also what we need and what we do use in one way at the production level. Then we use it slightly different way again as within the business model really.

Q: It is a big process, I can see...

A: It is. As a board we have to meet every 6 weeks. It does not develop through the 6 weeks and if you want to bring it forward and then we just bring it out and we have a sort of an hour on strategy and everybody produces a report. And then the salient points from there are and then sort of analyze and give that little bit time or if it is a smaller issue, then may be moving on to the next meeting. So we just give one hour to that strategy. Purely because you can get bogged down on lots of sort of minor issues as smaller stuff. But that big strategy affects the business and the financial side and the commercial side of the business. Then we actually take that as being an important. So we look at that, well this affecting the bottom line of the business what we are going to do about it. That will go back down the line so. But then as I said it also affects the type of procurement that we are looking at also .It

gives us lots of directions strategically at board level, where the business go as a whole.

Q: you mentioned that business improvement is discussed at board level and you are incorporating it at project level, but it depends on the issue

A: It does, absolutely, if it needs something more than that, what we'll do... we have another meeting beyond the board.

Q: only to discuss the strategy?

A: Absolutely, if we feel, as a particular point in time this needs more attention. I mean currently as an example we are reviewing the associate directors role within the business. So rather than spend a great deal of time on a social director, social director no.1 what we want you to do... is this, social director no 2, what we want you to do.. is this. What we said is... this is the overall strategy we want to apply which we have distinguish that into your roles, we'll take that out and do that in a separate meeting. So then which is quite a lot large thing we want to delegate a lot of powers and roles to these people.

Q: Associate directors... It is a new role isn't it?

A: No it's been for a long time. It is fairly tradition normally given as a reward for people that have been very loyal and being with the company for a long time. But in today's world, today's business it used as a sort of a stick to keep the people within the business. So large companies know have may be 12 to 15 Associates. So you know it is a good way of putting people into senior management role and using their expertise and skills within them and for higher managers actually delegate the work load down.

Q: And they will deal with the people

A: We give them specific roles and they go away and do it. So especially like in the academic world we give somebody with a special project, you let them go away and develop that project. That's what we are looking to do. So rather than say as an associate director they get more money and keeping good at his job. We want him to do all those things but we also want him to take special projects and it might be that we give one of the guys a supply chain to develop... to develop a supply chain and another one could be ... back to basics and procedures ... look at the business and what was we were doing good 10 years ago, does it need bring it back and then bring it back. And then another one could be looking at lean construction processes and how construction lean improve site processes, how that could be ducked into the business.

Q: When you are allocating that role to social director are you looking into certain qualifications? Now I already know the company itself has lots of directors who are members, of professional bodies, professionally qualified, so when you are offering that particular role, are you looking into that as well?

A: Yes ...qualification and experience but necessarily within [Company C] but with any companybut what they actually going to offer, what they offer is back the other way to us. In terms of what they are going to commit to and what are their capabilities. And normally we check the membership of CIOB. That's a good founding for actually understanding the industry. So what's required is and what's the role within the industry. What benefits for us as a whole is.... actually give the guys specific projects to work on and put them to be relevant and perhaps a pool of special projects really. So there is lots of things to do beyond the normal role and I think you know, that's what we feel is the distinguishing feature in associate directors.

Q: But it is not project managers role, under him there will be a project manager

A: That's right, yes. So it is sort of, they are part of the company, they are... with the company which is what they want to give more, we want to take more. We want the benefits be with the business not with the individuals.

Q: If I am wrong you can correct me please. Now it is actually a link between your directors, top directors and the project managers

A: That's right .You can say that way definitely which is back to that sort of pyramid.

Q: So earlier we had standard structure directors at the top, usually in medium-size construction company, they are owned by family or partnerships and shareholding like that, then they have these people who are called contracts manager, project director..... Usually under project director you get project manager. Your structure is slightly different.

A: Yes, more traditional I think this is how the structure would have been perhaps 20 or 30 years ago, in a traditional construction company, you would have directors and then associate directors and then.... then everybody coming down from that way. And then its still there and .I think its process the strategies, I think it's idea of bringing them associates and giving them more duties .Its sort of closes the gap and becomes less of a pyramid and its sort of flatten out a little bit really. It gives them empower take part in business decisions. So it gives them sufficient power if you like, on your right to be and to make decisions within the own strategy as well.

Q: So you have experience that it is a good way of taking you business forward?

A: Yes, Absolutely, because what we have now is a bigger team. That actually can make decisions, earlier just 2 to 3 people that can be quite insular at the end of the day on. And what my duties and the other two directors duties are... we could be insular and the end of the day and we could be little bit out date as well, so therefore we have more people to involve that we get a good sounding board and it test the decisions.

Q: And those people are regularly involved with day today operations?

A: Actually, yes they are more than likely be managing the department. So that they are actually in the coal face. Actually involved with the processes as well so with out really have any body that sits in the office and wait the things... we get out there and find out. I visit sites [Mr. C. chairman] visits sites. We are right there all the time actually finding out things for ourselves by physically looking really.

Q: ...when they are reporting you know the actual picture

A: If the say we completed the roof last week, oh! That's all going well but when we go to site we find the roof is not complete so then you can test it say that way... sort of quick sort of vision. Not that we need to do that but by having that information and we get a pretty good picture when we visit sites.

Q: The real picture

A: Exactly yes we can say. We are expecting to see certain things on that site and when we go out there it is not quite that way and then we want to know why. So we do not just walk as Kings at the castle and our directors make me walk on the red carpet, and make me nice cup of tea. It's about going out there and find out what's going on there and we talk to the guys on the site and make you sure every body is happy and working efficiently really.

Q: Yes, otherwise if you sit in the office as a director and if you just depend on the material or information you get... could be dangerous

A: You become remote and out dated quickly if you do that. You loose sight of technology, innovation within the industry which is probably why we do the roles within the CIOB. If we get this we can touch the industry outside the business as well by carrying the roles that we do and it gives you interaction with other people within the industry and you can listen to good ideas and business strategy and we can bring it back and plan few ideas of the business and you can also use that...as well. By working on a particular thing one will say we can't make any money from this no matter... it's ridiculous... what am I say...oh no...we use this.... and that we sort of share business techniques if you like, we become friends through the CIOB. So we could balance... see what is going on the coal face and we see what is going on within the industry as a whole and we can get the benefits bring all that back and setting that out through our board and getting our guys to then improve business.

Q: Can you please give me one example on that? And usually all these companies, they have their own things, secrets weapons....

A: 28.15 They think they have... think they have... But I think generally it is pretty much all runs very similar tweaks that you can do and an example of that.... I think a good example on that was when we set up our own supply chain system where we were looking to bring all our sub contractors together so that we could say you are in our team, we want you to be part of our future.

We want you to maintain your future, so that if we can not guarantee but get you committed to our business, we can give you work over the next 5 years equates say a million pounds or quarter of a million pounds or 100,000 pounds and get them involved with our business make sure they are running their business OK, so they are only a small business they are not privy to industry advice, business advice and that sort of things and what we did was...- Construction Best Practice actually did a seminar, we attended it in Manchester about three years ago. What it didn't do 'how we set out supply chain'? What we did, we came back from Manchester we did a quick synopsis of what we heard and how we can actually build our own supply chain within the business that suited to our company and within three months we actually had it all templated up. We had proformas that sub-contractors could fill in, so we had all their company data and we really revamped and put together our supply chain. Now the benefits of that we can communicate with them all these people much much better than we ever did and they get mail shots from us giving them knowledge about the industry as a whole. We give it free, no charge for that. And I think it has been one of the sort of more successful things that we have done where we just invented it for ourselves good idea we just bring into the company entirely for ourselves.

Q: And you are sharing that with others in the industry

A: We can take it out to that in the sort of procurement area of the industry. We can actually explain that to our clients because they are interested to know that you got the resources, they know people are not coming to the industry and they know lots of severe skills shortages and they want to know if they employ [Company C]s, if they are able to get this army of people and they get their job done. I think they get the comfort from us saying we have a formal supply chain we have all these people registered to us, we know what their businesses is all about, we are trying to support them and they get so much comfort from that.

Q: And you are giving some form of assurance to the client

A: Absolutely, yes, this is not just someone we have picked from the yellow pages...this is a company that works with us for 20 years. We know Bill, the managing director; I know that if he doesn't perform I can phone him and say "What's going on here", you know, and then he will responding in a positive way so you've got no contractual battles and that sort of thing .We have got people want to work with us with our clients as well. So that's one of the big fundamental things that has been successful... I think so.

Q: You mentioned that you spend 1 hour in your board meetings to discuss the strategy. Usually how long your board meetings are?

A: The Board meetings probably last for 4 to 5 hours. We do cover up lot of things

Q: That means about 20% to 25% you are allocating for your strategy...

A: I think the reason for that is, you could use a lot more time. I think it is the sub meetings, the strategy of meetings at the next level down, we got within the department gives... Uses sufficient communication and data to actually have it going all the time. I think if you analyze taking over 6 weeks period, I think you have to take account all those sub meetings and the information.....it might be stretched out when it comes to the board it actually defined and strategically communicate the meetings, kept short, straight to the point

Q: Just to get the 'Yes' or 'No' answer, one line answer

A: Yes, one line answer and its presented in an hour. Rather than he wants to do that, Bob said this, cleaner said this, site manager wants to do this... What we want to know is – is this a good idea or not, how do we develop it, what resources does it need, and how do we implement that within the business and then how do we review as well. So when you put it in, you do the constant circle of review. So that you make sure that it is regenerate and...

Q: goes back to your people

A: Actually, yes.

Q: What are the other things that you discuss at the Board meetings apart from the strategy?

A: We talk about people, social events, finance, current finance Em.... work load, current work load, possible work load and any other business and sort of any other thing which is bubbling around sort of ...

Social events you know, if we doing something for staff, we talk about that, motivation staff and also events with clients, cooperate events such sort of things and then probably insurance as well. So we look at quite number of different things really in that sense. I think by the end of the meeting we get sort of pictured what's going on and then we can look at, at the end of the meeting how what effect strategy.

Q: Is it possible for me to access some of your board meeting minutes, not the confidential details, just to see what the specific problems company is experiencing at your level

A: Yes sure, if any thing confidential we can chop it and...

Q: Yes, I know financial information is quite confidential and in my research area I do not address it, general things what we have discussed here will be sufficient

A: I'll get some minutes and delete all the sensitive information and then you can read and...

Q: Another thing I need to know... This study will go for another 2 years, so for me to generate some basic understanding, will you be happy to have some regular meetings with me? Regular in the sense not every month and so...

A: Yes, I have involved with management initiative, that it is couple of years ago ...that's fine.

Q: Thank you very much

A: You are welcome.

Q: Do you think or do you feel you need to discuss this business part in your board meeting, more than what you are doing now?

A: Em... Yes I do. Personally I do. Yes because I think we can get carried away. I thinking this is past of 12 months ago we were 3 directors, 12 months ago we brought associate directors on to the board in order to get a better view of the business. And what we have not done I think successfully, developed their role at the board level. The idea was that we would, mentor the guys. So each one of the directors will have one of the associate directors and mentor that person. So we have done regular meetings with them. So actually when there is a Board meeting "this is how you conduct yourself", "This is what information that we are looking for and you have to present". And you just guide them through and I think where we should be now is at the point where by actually empowered so actually be the major parts of the Board meetings. I think what were... the levels that actually the moment we are in this moment; they are still talking about the day today issues of the business rather than strategy whereas we are talking about the strategy. So the pure directors are talking about the strategy in the meeting and I think they are not receiving it. In the way that I should say, they are not contributing fully on the strategy. So they don't understand the gap between day today work and the strategy, and I think they are sort of coming away from that has not happened quick enough for me and I think we have failed, I think the directors are on the basis. The mentoring idea ... I have done with my guy and he is actually the strongest associate director now, whereas the other directors what they should have done is put some amount of effort into their training with their social director Because these ... would be really how where as actually my guy is managing the estimating and tendering side of the business. He is actually comes on very strong and he understands what we do in investing in people, what we do chip in another industry initiatives it now understands what we do and he supports me in the strategy and why we need to get certain processes within the business changed or renewed and he supports... whereas in the past why we are doing that? Do we have to do that? So many questions stop me rather than supporting to get it done and that's the difference between that. He is ready to do that and the other guys are not ready yet.

Q: Yes, but he can get the work done...

A: Absolutely yes, he is quite sure... and he is part of that as well. But because when he is going out to pre tender interviews he is talking about investing in people and he is talking about ...and all the other industries you know he knows the meaning of any ...he is actually talking about with ...the passion. You understand

why he is important to the business. Rather ...bottoms of our lectures...looks nice and everybody got one. So he understand what's it all about ...another level I think ...as a company, we could be looking at EFQM as a business model ...but not ready for that. It should...one step beyond the EFQM, I believe it, I like that strategy have gone into that strategy and developed strategy to be implemented into our business on to that line but we are not ready as a business. We are still going through

Q: Actually you are following the same pattern and I'm very happy.

A: Yes, It has a flow through...you know not personally for me, absolutely its little bit frustrating because you know we are such an old company. It's difficult to get change through. Changes very difficult with an old company which stagnated for a long time but we less likely we want to change ...new people new starting a brand new business what they want, physically implements and ...and you know those certain weaknesses are there. Leadership and I think this is....developing to become leaders as well. I think in a year or so to be much stronger ...with people because you are investing in people as well. So...and that's good...I think we got to focus more on that now, because of what we doing at the Board meetings which is much better than it used to be. And partnership and resources I think you know that model ...that fits, really...So that's sort of takes it. through the process and I think you know your results are the data that we was ...earlier and actually and we doing that again in the Board meeting So and look at our strategy how we can change the strategy based on the information that we gain from the

Q: Now so far you are not practicing this model. Is there any other model that you do....

A: No, I think what we have got something is this in a very loose way, I think we are doing that, what we not doing is defining in this way in the EFQM model and I would like to say that flowing through the business in exactly that way, because it descends ...that's going to give us correct data to strategize the business.

Q: yes, now your data, your results ...coming actually...it can be either number or you can go for people....

A: Yes, it's correct

Q: And you said you are doing this deema package, you get the information like physical, financial and so on and peoples information and then you make a model [central model], you put that information there into the model and then you take it out and again you will deconstruct it. So this is also doing something

A: 43.35 I think it is in there. Because we do a customer research as well. So we do have somebody that's employed one day a week basis to make sure they are happy they send their feed back forms. We get those back in. And then it's the architects' perception, the clients' perception. Sometimes we get Architects perception -[Company C]s very good, good... and sometimes... well they

did not respond to repairs or didn't quiet ... And you get a more balanced view. So we get that information coming as well. We do use that as well.

Q: Yes, now you don't have a particular model but some of the things are already implemented.

A: I think so. Without being identifying this format and which is why and 2 years ago it looks very closer to the EFQM model. Just as a template to say, this how we running the business and that we can prove the clients that we are, the ... for business, we can take exactly where we go and we give them the confidence within us I think the amount of work its taken over the last 2 years just to get the fundamental parts of these and just.....it says probably in the next year or two, We can actuallyEFQM and come together and click together, I think we've already be there. It's like we ...70% of the...already existing within the business. What that need is... tailoring and you know ...in line with ...and we within 6 months applying for IIP, we got it.

Q: IIP stand for?

A: Investors In People. It is a badge probably...it's a business who looks after the people and develops their people and that is the idea of it and you know... as a clause... them and within 6 months we achieved it and we maintain that now for 4 years we do review twice a year. We managed to maintain and reviewed older systems...far away that particular model probably ...that would reflect ...you know they probably do better than we are ...positively.

Q: whatever I have read that ... is positive...

A: Absolutely yes. I think what I am trying to....really because if you sort of ...you leave it and I think it is a constant review. You have to maintain that reputation. Sometimes it is little bit harder compare to their competitors and because people automatically when you coming to the ...they thin you are already a good contractor, you have to be professional. That is the hard part. Because their expectations are sometimes very much higher than another contractor, and I think you know you have to be careful and protect that to make sure that you don't go any meetings or perform in a way well I think ...you know, you must not sort of beg to be get it about...The whole thing and you take your feet on the ground take every opportunity to a meeting in a professional way. As it which it's the first time you are earning your stripes if you like. So you just go and show that respect back. Respecting us is a good business and we show that respect back....

Q: Isn't there any disadvantage for you, now when it comes to tendering in your area, now you are reputed company, you have to certain standards, quality, everything to maintain, now when you are competing outside industry your prices... aren't they going to be slightly higher than your competitors?

A: Not really, no. I think you just depends on how the business running and from ... overheads point of view. If you running economically and you're managing your

resources and you got the best prices for materials as well you are good as your competitors really I think what we have got is the main contractors with their overheads and profits. It's a margin that some clients and are interested or they want to someone to turn up and do ...the bridgewithout paying somebody in the middle. And that just depends on your clients ...really ...pay that to make sure get that job and its managed well and the quality say, whether they are quite happy they get theyellow pages andMost probably we get a good job....there has an office. When we talk about competitors, all are competitive are the same that they have an office, they'll have a staff, they'll have a same directorship. So when it comes to the main machine there is a cost to be paid for that. But then other clients who don't see them as competitors; the guys doing here are more in the domestic market because they are good at what they do and we are good at what we do at different levels. I don't think you can really pick the phone book up pick up a contractor and say come and building a school, I think you have to have certain reputation, certain qualification and a lot of us do that. I think that reflects in what you pay and I think around those variance and within that and to be honest with you, if you are busy, you got a lot of work on. Your price is might reflect that a little bit, you might think I don't really need the work, this is the chance you get some other profit that you wouldn't normally get not in a greedy sense, but you may put half a percent more or sometimes just. If we get that job as well it you need to get bit more work to get additional resources. Therefore we should cover that within that price. And if another competitor gets in who is not getting lot of work, that's fine, because its then share across the industry, you know having competition is sometimes healthy thing as well the industry to kick you on your toes. **50-551 think people are prepared to pay that little bit more for the quality, definitely.**

Q: Let me quickly go through this and finish it off, and we are here now... if you going to implement this model, which area you would like to pick up from...

A: I think this area [policy and strategy] ...sorry, I beg you pardon...I would say that because the people are going through the policy and strategy, purely because I think that's where we got to the most change over the associate directors, what happening in the area, where they coming through it actually, we...they want to take part in this. I think in many respects. So probably they are happy with people fantastic people work in this business with that fantastic ...we got an excellent supply chain. So, all our resources and the things are fine. Probably ... what I need that because directors coming on board really.

Q: So if you pick that up policy and strategy how would you go about it, now you mentioned that you have a ... skeleton structure. Associate directors being innow is it the only way you are planning to implement it, or do you have any other ideas

A: I think what we try to do is actually during the board meetings within the strategy, discussions. With that actually sort of present to them, the challengeif you like .So this is what we want you to do. We want you to go away as a group and collectively put that together ... present yourself back. And I think we get the ...direction to that and the things we want to empower them with and we are going through process at the moment where they are developing the their own model like, their own presentation on the ideas we have given them. And then as we going through them we can actually. When they present that we can say that, yes you need to go in that direction or we need to go in that direction and making ...that give.... Such a long process but we are giving them enough and guiding them actually...I think because that change at the moment they're developing in to their role. I think 12 -13 times they make an impact. Because I think we're contributing in an equal way to the other directors as well.

Q: You see that there is an opportunity to develop in that particular area.

A: definitely yes, because I think what we have is instead of 3 people doing all the work ...have 7 people doing all the work which is good for me and is good for the other directors, because within the company ... and that that uses what I called imaginary time where we can imagine what we want the business to do and not particular interested in ...because I feel it's correct for a director and the company.

Q: So you look forward to...

A: Close the door ...and just sit there and think about the business without phone ringing, without people coming in, without having people in the view have a clean desk or go up to a restaurant or whatever ...just sits there and think about the business, where do you want the business to go. So we have a proper clean clear thinking time. That's my idea anyway. I want to think about what business do. You know that create in ...put something on the screen and that's going to do a fantastic thing and entertain millions of people .It just use imagination to actually develop business ideas and initiatives, and just put it down and just develop it as an idea. It could be buying an ice cream van ...next year you are going to earn another million pound because we are going to sell ice cream. Its about just ...

Q: Actually that is what all these managers are lacking nowadays in business.

A: Not allowed I think what it is the, you are not allowed to have time , everybody is watching all the time and if you being board all the time make sure you are doing 4 weeks toward and because I do believe the managers, the leaders are ...many years ago. And I believe that what's happening a massive overspill into your own time say, you know I will be able to be a detractor to 45 hours a week and managing 45 hours a hours a week . Actually that's spillover because you are coping with the day to day issues

Q: Not long term strategy

A: Absolutely yes. So the end of the day you are tired, you are worn out, you feel that you have done more than you should have done and I think talking to people within the industry...global sector ...When it comes to actually imaginary time what's not many people doing, people are doing that as the people are been paid to do it. It's their job. People are like that. They can take time and it is wonderful as they do. They give the industry direction. But, what about the rest of us?

Q: who are in the industry...

A: We have the intelligence, they have the ability, if we are just given time ...think about ideas, where the industry moves on....

Q: It is a very good point that I captured here, thinking time I can remember when I went to ...

A: It is an out side activity with the CIOB, and the construction skills network. It's where I feel I can get that imaginary time, because it is totally different subject. Impacts regionally and nationally ... my businessbecause they are not allowing me....

Q: because they are loosig

A: 60 or 70 hours a week for me. I am...a director so its my choice and nobody is telling me, we have the responsibility to demand ...60 to 70 hours a week....think about the business properly...quite creative, where I give time to other people they find that I'm very creative.

Q: But unfortunately you are not getting sufficient time

A: Absolutely...

Q: Develop that...

A: yes it is a big fact

Q: What you have chosen that associate director I think if it comes down correctly you will get your time.

A: That's the idea because we can disseminate the ...that uses the time that we spent... so far I'm the director single...when we come to talking to the usage, initiatives like this or knowledge management initiative we did withthen that is a fantastic unique opportunity to do something first time and they in front of the competitors as well and we just plugging in to a massive knowledge bank and idea that is quite unique at this stage,

Q: Now you have already established that process with associate directors and what sort of mechanism you will be engaged with to improve or monitor that process?

A: OK. That is a little bit more, at the productive level if you like. I think what the guys will do is series of presentation as they develop the ideas. So, because we did the mentoring side of this they will then...

Q: Now it is their chance to show you that they have been acquired.

A: He can present to me without presenting to the board. And then I can get defined what he is presenting. We can present it to the board ...half an hour and we get to the main point. I think that's how we do series of presentations if you like to, to make sure that we can direct them in the right way.

Q: What are the expected achievements in such a system towards policy and strategy criteria and how would you shape it up to achieve improvement in the business performance in the long run.

A: I think we will be able to identify capacity within their role thing that are going to empower them to actually input not just at the local level at the business but also ... external perception as well. So we can get them to engaged with clients, we can't prepare them to be professional in the way that be engaged with the clients. I think in the long term it's a bigger team that's going to go out and there and catch more work if you like, going to impress a lot more people...I think at the moment most of our clients has seen myself or [Mr. C - managing director] has been the figure heads in the business.

Q: If you want to spread that to your associate directors for them to get to known by your clients then you are going to actually build up your reputation in different direction

A: 1.01.12Correct. Yes, Because of the expertise of different people, of the actually represented on the board. We've got a guy... financial director, he needs to talk to people within the financial world, he needs to go out there engage with people there. He needs to be telling them about our company, why can he not say to these people, just if you need an office, can we build one for you. There are so many opportunities...

Q: Is it a sort of a marketing strategy?

A: It is probably yes. Because, I think as you say sort of relative terms you've got these guys that represent different parts of the company. One of them is the company buyer having such an influence. He is our head in supply chain. So he can influence the sub-contractors and the suppliers. So it's actually using these guys as tools as you said marketing in different ways, not necessarily just to win work or to engaged with new clients also maintain the existent people base and that we've got to the external to the business as an advisor and I think you need all these people on side...and I think because you know, probably good example on that when we are to set the supply chain with myself and Tommy, is our buyer we actually did, we engaged with business link and the chamber of commerce and they sponsored 4 events where we bought all our supply chain in, and we had a breakfast meeting. This is how we got them on board you know formal way without supply chain and we can pay for that but they thought it's a fantastic idea, they paid for that for us and all they want is to be engaged within 10 minutes with these

people to talk about investors in people, train to gain and monitoring and other chamber initiatives. What we can say when we did that 3 years ago at least 11 of those sub-contractors businesses have actually achieved investing in people...So we have opened the door to people to come in through and to me that's a such a massive benefit ...actually going and talk to client marketing terms and so we've actually engaged with our supply chain. Not that is a lovely document. This is how it work and this have nice flowcharts and we can actually say this company is a decorator going to come and work on your job. We help him achieve in investing people. So he managing and developing his staff. To me that's more professional than that saying that scruffy bloke in a dirty overall...to me it's a big thing. ...and engaged with the people at all different levels and ...finance, buying, supplies and we can get on them working with the clients and developing new client base now.

Q: My last question is what are your comments about the value of the EFQM model; you said you got to know the model...

A: I think its great, its something that I think would give businesses a fantastic guide line on how to see, how the business work, and sometimes if you ask somebody, about ...explain your business, its quite complicated, it is multi faceted and you tend to jump around when try to explain this stuff is, whether you start with the history or people or what you are working with at the moment, hang on it.... and you can sort of portray a picture that's quite confusing. Very positive but quite confusing but any body that doesn't know the industry we find it difficulty to understand. I do not know about your picture, but what this model does, it set out very very simply how your business actually looking like. Most contractors actually perform like that. I think you need to, to be successful, and I think its very very nicely succinctly, I think that model sets what your business is all about in many ways, you can add, you can take from it.

Stage 1 – Interviewee D1, Company D, 2007

Q: I need to know about your experience in construction industry regarding the disparity between project level performance and the business level performance that is what actually I'm inquiring into in my studies.

A: OK, Understand that yes.

Q: So the first question is what is the company structure at [company D]?

A: [company D] is a company within [group D] and [group D] has housing, commercial development and construction...As partly [company D] has [company D] partnership homes, which is the affordable housing specialist within that sector. As the structure I'll give you an organization chart which will describe it. Few bits are helpful. I think we are fairly conventionally organized.

Q: Conventionally organized? Is it the standard hierarchy you find in many other places?

A: I think yes, probably is, I am not the full time Chairman but acting as the chairman, I am the full time managing director and then we split it down into, the blues are the sort of heads of functions, which are also directors. Which is basically in sequence, sort of estimating, contracts, commercial, financial and so we have a company C partnership homes as a separate, and then we have a business development manager who isn't a director but operates in that line.

Q: Is it a permanent position in your company?

A: What?

Q: Business development manager?

A: Yes absolutely essential, that's sense as the same thing, when actually look, document 'A' we just looked that the hierarchy... Document 'B' helps to know the flow chart. So its marketing goes into estimating and goes into main operations and which may either be a separate design built teams that support operations, we operates through specialist works goes into main operations and obviously after that comes down to site management to our sub contractors, with after-care analysis, supported by our procurement team and quality, health, safety environmental team. So that's the same diagram but it is then flow of how the business works.

Q: Now if I look at it - your diagram B, now this mainly consist of your operations, operations in the sense at the project level

A: well it is, But that the whole business isn't there and strategy is evolved within, I'm going back to A. The strategy tends to be developed between myself and the managing director with involvement from business development and appropriate of the directors.

Q: So the strategy you have a clear cut between strategy level and operation and how are you going to combine them. What sort of mechanism you adopt there?

A: It is difficult to answer it in that format. To answer that question in that format, it might be useful to talk about how evolved strategy... if we talk about few questions probably answer the above. I think our strategy is probably best defined what our mission or vision or objective and we don't actually differentiate between these 3 but really it's to be contractual choice, in our chosen sectors of operation and those sectors are defined in 3 ways, One geography and we are basically a West Midlands based company. So we don't set out to work outside that area unless for a specific partnering client. Second sort of sector is procurement type. Not our procurement of our supply chain but our client's procurement of construction, and the third is work type. So we're not setting out to be the contractors' choice, in every thing everywhere in West Midlands. We are setting out to be a leading player on the

contractors' choice in certain focused areas, so we are involved in those. By the way the strategy evolves is really by looking at each of those procurement methods or procurement as a whole and defining our positioning in that and then looking at those work types. So we tend to categorize in education, health, residential and residential affordable and so forth the other sectors and deciding which of those we are going to position ourselves in and we do fairly broad range of activities, And to document 'C', ...it gives idea of the background and [company D] historically has been quite a broadly based contractor and just like many of the traditional regional businesses; those are [company F], our selves, [group H], Ashfords, [company C]. Those are traditional competitors, traditional sort of local building companies. But I think we are within that generality focusing on particular things, we do better than others. So that's how our strategy is formed. Looking at markets, defining where, we got some track records, we have got some differentiation and then actually highlighting and prioritizing those markets. So its market driven really, I would say the strategy

Q: So strategy is formed as a market driven activity.

A: Yes it is very much looking at opportunities both in work type and procurement type, matching as that what we are good at and then prioritizing which of those we go for.

Q: Then you analyze your 3 sectors; geography, procurement and work type.

A: Yes, one geography ...is, we are basically based in West Midlands. So having said that...what is going on in those market sectors and also procurement type. The ideal for us, example would be primary care construction using 2 stage procurement, because 2 stage is our preferred method of procurement. 2 stage being where we initially bid on overheads profit and sometimes on prelims and then work with the client, in an open book basis to work on the work packages. That means we can bring out affordability, add absolute value and in primary care we've got a lot of experience, so all the view as an overall prioritization that would be the reason for us to be on top of the tree ... and that would form our marketing plan. So business development manger and other directors will particularly be concentrating on opportunities in that sector.

Q: So he has the input towards your selection of contracts

A: Who?

Q: Your business manager?

A: Yes, very much, it's a she. She contributes to the overall decisions. I mean for example at the moment we are doing a mapping exercise on the health sector to really look at where there may be opportunities in primary care. I mentioned we're fairly clear on that but health is quite complicated sector and

you got private hospital operators, you got dental companies, you got GPs, you got dentists and you've got the interface of the local authorities, with housing associations. All of those actually quite complicated market map and our job is to differentiate and then highlights and differentiate which of those areas overlapped with matrix and we can offer that service.

Q: So it is very clear how you have formed the strategy

A: yes well it seems to be very clear

Q: In a construction company it is not a clear cut way like any other industry?

A: No, I think for comparing oneself with a consumer goods ...I think they are very much brand domination and I think one of the big difference is between medium-sized construction company probably all construction companies, its not actually about market domination , its not about brand domination by the way its important but not that....we don't sell our, we don't price our brand in the way that ...So I think that's enough, that's our strategy, and we are very much into business to business as opposed to business to consumer and our part of the business, [company D – Homes] where we sell private housing and all of our drivers are business to business drivers.

Q: Who are the people involved in the creation and the development in this strategy? You mentioned that top directors, managing director and business advisor...

A: Yes indeed. I would say those are the clustered group obviously would take lead on our strategy also from the [group D] which is a group and not hugely but the one particular thing we're task to doing is to operating a cash generating business and obviously combining housing and construction as a business. It's a good fit between a construction operation, generally construction produce cash and housing which will utilize cash and then turn that to high return and that's the model within the [company D] as well so that's what we're task to do and not important in the sense effectively say, therefore the things like PFI or investment into...PFI wouldn't be part of, actually we can't do thatcash out flow and cash inflow so that effectively that's the one to boundary that the group set in their strategy. I mean they are also expecting to make profit but they really want to generate cash and manage risks.

A: So you say having this housing division gives more profit?

Q: Well, housing certainly makes more of profit and those are commercial housing and commercial relevant and [company D] do both and cycling the money over cash through, providing strong cash flow for those two in fact you've got a leverage effect. Now other businesses would not necessarily be constrained. Just to say that I am not the executive chairman of [company D], but construction company as the chairman and as an executive director, now some of those are not, some of them are looking to invest in PFI like Stepnell in Rugby which I have

involved few years ago, where they are particularly looking those businesses which are generated cash as a family business and we are looking actually to invest that on the PFI. Therefore that opened up the option with the PFI we've sufficiently delivers a... So that's a different model, a different business model to [company D].
Q: We can go to section B then, before that, let me get one example from how you are creating this development strategy.

A: That's two quick examples really. One is to talk about by procurement method. So what we did there was to analyze all of our opportunities in business and performance, contract by contract performance by procurement method and then draw out of that the conclusions and we make more money and we do better out of some rather than knowledge over others. So that's about three quarters of analysis we have done and matching ...out of that gave the priority for procurement as I mentioned earlier on, two stage procurement and design and build procurements on new built also two areas where got into. Another area we try to switch on sort of help where about a market mapping exercise matching those elements of the matrix to our track record, looking at the gap analysis between the areas we have not done so well, deciding whether we can go into that putting resources behind that and that's very much market driven and our strategy would be market driven

Q: yes, I have a question, now is she the person the business development manager is she the one who is undertaking all those responsibilities to analyze the market
A: We are working closely with the MD myself yes.

Q: You don't hire any private ...external business development people

A: 13.30 No we don't. We... occasionally we've hired in a consultant to do some specific piece of work, generally we don't do that. We generally do that in-house.

Q: We can go to section B then, how do you identify the need for business improvement?

A:with sort of the EFQM quality model because I do know that EFQM and looked it some time ago and out of that actually evolved... and this is the work I did but actually I have applied this...companies and to what I called building blocks of best practice. So taking some of the, most of the... probably EFQM and come up then with some matrix of, what I believe, we believe and our company believes is a leading edge construction company, and then to answer your question, how to identify the need? We identify by measuring where we are, with what best practice theoretical virtual company is doing and that would identify areas for us to work on.

Q: Now what you are saying is you are measuring your performance against the theoretical model for best practice?

A: Well yes, the theoretical model for best practice is built up, well theoretical is being built up really by looking at what other companies are doing and what their construction ...EFQM, building sort of a virtual company which is doing all those

things. I don't know any company doing all those things. Let me give you a better example. So document D, those are the things actually which we believe our team, everything we do needs to support one of those six things in the business in our view. Now you see as you read across to the EFQM. It's a slightly different format and this is actually...best practice programs when ...accessing, so that's sort of lead... we got 6 sort of... 6 areas and then those are key areas, and then what I did, we looked at ...to build each of those into a sort of things that happening in a very good company. Now say I haven't yet found a company ...doing all those things. But the way we identify the needs for business improvement, to answer your question 1, OK ask yourself, are we doing those things and if we not ...are we going to...business ...and if we are, we need to prioritize. Because we do these exercise fully out ...things going out of there. So I mean when I join (Company D) we were doing customer feedback, we are now and we are using that in sort of feedback loop. We were doing appraisals few years ago and we are now using the feedback loop and that's the way I intending to, sort of company intending ...to view and what is concentrating on.

Q: Are they changing your priorities?

A: Yes they are. This is not a static model is it, I mean, because things are coming over time. If I've done this, if I didn't do this 2-3 years ago...construction off-site you know is ...big driver towards as part of our offering.

Q: Off-site construction is in the sense of...

A: Off-site construction is a modern method of construction which is the government ...Off-site construction, so rather building everything brick on brick you import brick panels to affordable housing so forth. So that's an important part of our offering and that generally takes that one as an example then leads to a training need. So people, do our people know about it, not very much. So we tried to have a master class actually for our senior managers in-house to understand opportunities that they've never seen what's coming out there, then we link that into sectors of working which is affordable housing...and enables us to get, something over the edge of our competitors because we know more better than they do.

Q: So it is some sort of marketing strategy you are trying to take a step

A: Well all we're looking is to differentiate... I think one has to set within...construction. It's relatively short...differentiation, differentiation that we may have or other company may have ...stage if we looking at what they are doing we can catch it relatively quickly, because the theories ...and we will going to be ...looking at...

Q: So your main focus is towards this off-site construction

A: Well that's just one example because I think important thing is you need to keep coming back to these 6 main things and offering in market place, people, how you

measure it, cost base, process we adopt and very important leadership. So we just not saying that's very interesting I mean all the time we got to be regularly ...we actually say, what's happening in the market place anything ...and any of these falling short-term and KPI is evolved 2-3 years ago. We ...we had a ...look at them, we had used them, that's how it's going ...and that's not a business improvement issue, it was 3 years ago. Its now sort of...a business initiative. We are doing people feedback. We don't carry out, we do not form feedback. Throughout our appraisals we ask people, many companies actually have an employee survey. That's an area you know, we are looking just to whether should... We are not using the benchmarking index formally, this by its nature; you know is actually a benchmarking exercise. What else, and document management taken as a current issue, in that we identify as a potential business improvement area 3 years ago and as a central process, analysis...and whatever put into practice and that's now again embedded into the business. So that would have been our top business improvement list of things 3 years ago. Its now happening, so all the time we are doing improvements.

Q: What do you mean by document management?

A: Electronic, everything in the business is scanned in ...its electronic documents are handled not paper documents. So that's I think helpful but I think that's very much about of how we sort of run the business, from the business improvement point of view. Now none of those are entirely project specific to draw your distinction between business improvement and project delivery. But of course many of those flow down into individual projects so as across business I mean all the people ones are but things like site systems, good site systems are the basis on which we run our sites. So many of the projects will picking up particular points from there. So that is question 1 isn't it?

Q: Now we went to question 1 in section B. So second one is how do you distinguish between project delivery and business improvement?

A: Well business improvement is very much it comes back to these things, so in business improvement we're asking ourselves, how can we improve our offering in the external market, our cost base our processes and whatever. Now all those are company wide issues, some of which are project issues. But generally they are company systems, company wide systems. I draw a distinction between project delivery which picks up some of these but basically is not necessarily individually, our projects, for example, doesn't run the appraisal system. The business as a whole will be looking at people appraisals. You get appraisals irrespective of which project they are. Whereas, let me take a project example. Waste management once we have an overall policy; the sites are very much involved in the delivery of that. So one could pick up a number of these business improvement issues which are the only way we get

them to embed into project delivery. Examples would be waste probably. There would be site systems and there would be... or parts actually ...construction delivery and the ...management. Although they are company-wide systems they would be worked through projects. We don't do improvements without we have a project base. So number of those things ...I mean this is all our systems. This is some of the improvement areas.

Q: Is it easy for you to distinguish between the project performance and business performance?

A: Yes. I think so. I think if you take the view that business improvement ...business are project specific, Project delivery is very much is about time, quality, cost and meeting the separate parameters and each those simplistically, and none of that directly is time, cost and quality. I mean number are very important our ability to deliver on that. Quality system ...be on here, because that's and given it is ...its something like that we have a quality environment system here which we are delivering to ... So I think it's fairly easy too. So differentiate...

Q: So in your company you have a clear management technique to define project operation and your business?

A: Yes we have a sort of formal book that says how we do it. I think it has a clear understanding in the team about the differentiation between the two.

Q: And there is always this overlapping loop?

A: Well there it is. Because I think in a particular project...can give an example. When sort of segregating waste management came in or began to come in as an environmental differentiator, it probably came upon us not actually through as a company, saying that this is a business improvement issue but one of our clients putting a pre qualifications somewhere on a project base and what is your policy and what is your practice in segregation of waste. So that'sproject, but then wouldn't say that ...our project,what issuelooking at...improvement point of view ...developing what is your policy on segregating of waste and that...Some of the business improvement area would come ...many of them come up actually the project base, but would not actually run without a project. We might actually ...as a part ...I think, I am a greater believer actually rather than trying to whole system....whole businesses it well work part of the business and learning from that, gaining feedback and then getting the whole team together, the site manager would say OK, we're doing this ...differentiator and this is our experience ...this is all what we're going to do.

Q: Now you explained something originated, the problem originated at the project level and you take it at a higher level and sometimes you generalize the future and in similar way

A: Well most of the time we generalize actually. The sort of work we do very few projects are unique and therefore if some learning of a project generally will be worth picking it up into other parts of business.

Q: Is it happening the other way round also?

A: Well it is. Because I think the way it happens the other way round is by management team by particularly looking at this approach. For example say [company X] are doing this, should we be looking at that and are they getting differentiation out of it and see those results and if they're doing quite well. And then picking that up, yes we think this is actually good for us, at the company wide level, and therefore we need to embed it down to the sites, you've to get them flowing up and down from the two ends from projects and from the business.

Q: So in your company it works well without any collision?

A: It works well, certainly isn't a great divide down the middle of the business, then doing business improvement and then doing projects. I mean I'd like to think it is the case with all businesses like ours that people sees themselves involved in both. I think there is a difference of course between very big business which have a dedicated business improvement department or team and SME's, we're a medium business where we do get much more integration of course right down to the site in a business one person is doing every thing.

Q: Do you have your own definition for these medium-sized contactors, because, it is quite a tricky...

A: It is actually. This isn't a detailed definition, but I would say medium sized contractor would have a turn over between, let's just think, probably 10 and 70 million roughly and I would have said 5 and 50 million three years ago. But I think most ...exception of [group H]..., most of these coming to that category and quite a lot actually around say 20 to 40 million margin. We do about 40 million in [company D] [company G] which is based at Aldridge which is 125 million a year business. That's a medium sized business. It's not a major. I think...the major really are the ...that sort of 100 to 200 million

Q: You are operating in regional scale, so you have some experience on...

A: Yes, we do have and if you take Blue Star which simply the regionally subsidiary of ...There are number of companies each doing our sort of turnover....10- 40 million businesses which makes...businesses. But I think individual units they are competing against us. They generally got very nice teams, estimating teams whatever. So in that respect they are competitors but not businesses on their own right.

Q: Their business vision, plan and everything is quite different

A: Well it is of course, because they will have ...you then go to a level of, group level which is looking at...That may be ...our team what ever and cascading up down to the business units. Which again cascade up down to the projects. It puts another linking chain. I think one might say that medium sized businesses are sort of more agile and they haven't....got different levels.

Q: Let's go to the next question, now do you discuss your business improvement at board meetings?

A: Yes we do. It's a standing item. We actually have quarterly board meeting at [Company D] we also have monthly board meetings. But again we have a key feature in our management process is a Monday morning meeting which involves the middle management, directors and the middle management, contract managers and whatever and we discuss lot of issues there. And we're finding actually the monthly board meetings you just go over the same thing again and we also have monthly what we called CVC meetings, Cost Valuation and Construction. That is more interested financial side we serve, project review, a detail project review which the MD and Commercial director sort of run, I sit on them every quarter, but there is monthly meetings on each project, the contract manager and the site manager and quantify surveyor and they go through a lot of detail there and what we find in monthly meetings so we just going over the same thing again. So what we've decided to do a year ago is to have quarterly board meetings but in intervening months to have marketing meetings. So we now actually, the same team actually meet every month. We specifically concentrate on marketing for 2 months out of 3. But to answer you question, yes business improvement is discussed in board meetings

Q: Yes, how much time you allocate for that?

A: Probably about 10% actually. Because once we identify business improvement project, then journey be driven by project team, outside the board. So thenot actuallysee feedback ...look at sort of actions we need to take. So it's not a detail implementation ... It's a keep in touch on it, and making sure its going according to the plan. That one doesn't need ...which is a document management system will be a good example...Most of the board meetingsdiscussingThen we have to come back ...board meeting...OK, yes, no, what we need to do...So we the board spend much more of its time, outside the board meeting in business improvement issues.

Q: You are involved informally, apart from the board meeting?

A: yes very much I think...medium sized small business, the board. Because it's a very small team working together outside, then team discuss and agree ...dynamic isn't it ...different actually.

Q: That formality is there

A: Absolutely, I mean ...which was ... You do need much more assistance where ...informally by the board. Because we are working together in one office all the time, then decisions are made, more informal.

Q: Do you feel that business improvement has to be discussed more at formal board meetings?

A: I think the challenge was actually is making sure that we get a ... I mean...generally business improvement issue will be initiallyby one of the directors ...discussion and ...challenge actually is to make sure that one has good debate about that and seek the other directors', board members' views and then decide we are going to put resources behind it and I think the challenge is to make sure that ...But ideally, really does have informed discussion ...contribution ...and...is an example for that and appraisal would be another example for that, KPI is another one. KPI ...people engaged...sort of appraisal the document management took a bit more time to get people involved.

Q: For people to get familiarized...

A: I think one of the key tools in getting overall business improvement matters ...is to have a champion to each of the function departments and ...find 3 years ago, 25 years agowhere ...structure, where somebody in the estimating department ...I'll make sure that this sorted out in my department and somebody ...and somebody in buying and somebody in production. Then it goes well. If we have got a dedicated champion you can really get sorted out them. Because in many things that need tweaking. I meansystem, but only the estimating department can really contribute ...So I am a great believer in champion effect. I have seen many years actually where you look at the business and you ...departments very good champions and we are around beyond the thing and....issues, that's implementation issues.

Q: Would you mind passing me some of the board meeting minutes, that's not with any sensitive information?

A: Yes what I can do is, give you the headings actually I can run through. I can send you a copy...I'll email you. Let me run through them. The main headings are - in each board meeting we look at work flow. Which is really looking at opportunities, inquires, matching the capacity to opportunity to the market place. So work flow is a quite a big part of what we discuss, production matters mainly by inception and sort of production contracts ...put a report on wall papers and say how projects are going but we make a point of discussing those which are not runningThey are running to time, budget and qualitytime reporting... I think ... reporting is hugely important and not many businesses do it properly in my view. That's a different topic we also got commercial issues ... There ...We have a verymonthly meeting outside the board ...commercially, ...financial issues ...but again hopefully by inception. KPI graphs most of us are looking at the graphs.

There's are cash flows ...profit and overheads and the... I think that's a good discipline. Because you then look at the trends. Most people don't come from a financial background . Finally it is quite difficult ...can see a line going that way or that way ... So we divide ...financial KPIs and that's actually part of the financial; boardwe look at. We look at the quality again by inception. We also look health and safety.....meeting. So to make sure that anything happening is reported. Particularly.people and people matters, that will either ...appraisal ... business improvement also in the agenda. KPI is also in the agenda, and then ...topics ...probably and there might be quarterly board meetings. They have a particular topic. We then a ...discuss, it may be a business improvement matter, it may be a market matter.

Q: What is new in particular...

A: Then those are the main headings but ... and my experience that's fairly common. I mean ...run a very similar system, very similar agenda, gets different information ...but the end ...also the same.

Q: Do you use any type of computer software to collect all these information and make decisions at board meeting level?

A: We also have computer software...a collection of commercial and financial information.

Q: Not people information. Because nowadays people are looking at and they get information from such package and then ...board meetings and decide

A: To answer your question. No we don't. We have systems in each of those things we just discussed, electronic systems that pull up data. We don't have one overall systemour size that's not necessary. If you run ...you need a system ...all the data fed in where as we ...people, reporting, financial reporting, quarterly reporting,reporting. Because it is, our brain... because it is not that difficult. So there isn't I think a real need that sort of sophistication in a business of our size. Then it wouldn't have a value of them.

Q: So I will expect you send me some ideas about those minutes what you discussed without...

A: Well I think those are the headings are. I can send you a copy of that on line. But those are really the headings that I've just went through.

Q: We can move on to section C.

A: I think the point here is, that sort of what we done in this exercise is pick up those things and put it in a form that we use two different ways. It's quite difficult to specifically answer your questions, but as go through them I am trying relating them back.

Q: Yes, it's all right. That is I wanted you to... Now here this EFQM model I believe you have heard about it.

A: Yes, absolutely, we tookprocess through. We didn't actually go down the route of creating ourselves specifically for this,....where's investors in people fit into this, where this customer feed back fit into this, how is our cooperate social responsibility and you know sort of related our things to those boxes.

Q: Actually any construction company they do that in their own way. Now this model is actually they have labelled items into specific areas. So now these are the enablers in that model. If you are in the process of developing your company, I believe all construction companies, they are in that process. They want to upgrade their performance. Which area you think you need to touch on?

A: 48.09 Well I think just across the leadership-leadership, people-people and I think those come further back because I don't think people are actually an enabler, I don't put them in the same category as those [EFQM model] but processes are there, customers are effective part of the measurement of customer feed back is a part of what we're offering, society results I mean our part about our training and whatever, part about sustainability and so if we take the substandard sustainability definitions or corporate social responsibility definitions which tend to come into those boxes behind that, then they are actually scattered behind in here [diagram X] and the way we see them. So, and key performance results is also that measurement and this actually did originally evolve out of that sort of thinking. But we find this, a better way of thinking about them particularly building our loyalty saying these are so important only key results you get relevant is what people find, but what we're going to that making sure that our people management is more effective than the next company and it is perhaps about people, appraisals, training...

Q: Do you have obtained this investing people?

A: No, its not working ...first construction company ...getting investing people 15 years ago ...generally investing people actually is not required by our customers as a mandatory standard. What they are looking for is evidence that we are running our system. So the line that wein [Company D]...is to adopt investing people, so the systems.... business plans, greeting people ...but not actuallySo to answer your question, any point in time, then one of those boxes would probably be key I wouldn't ...

Q: When we talk about now, which area you are focusing on?

A: ...I think the sort of things at the moment then, which are key would be sustainability within that box, people...can as reasonably... I think the supply chain feedback is an area in measurement that we are looking at in our cost base, I would like to think...looking at ...that we aren't in. That's something including our team too. But we are looking at sort of waste and waste management which is again part of sustainability. In our processes, so I'm coming to the end of the implementing document management and we looked, started looking visualization as a way of

getting a market edge in our bidding and we just completed a piece of work on web site capacity which is in that box and then finally leadership. I think those are happenings. I think those are things just at this point in time that would be on our list of priorities. Some just starting I mean ...recently ...that sort of behind this. Any point of time they are moving ...communicating system ...which are done in progress and thinking about. So it's scattered across there ...I think the elements ...business will be working on ...I think any businesssome point in time will the most important ...because it...

Q: So now what you think you are looking at overall?

A: when looking at overall any point in time, identify things and prioritize them.

Q: Do you experience it industry or your other companies, you are working with...

A: Yes, I mean, there are at different stages[company G] is a very valuable company and it's a bigger company and their people development systems actually are very well defined. Their reporting system I mean they have quite sophisticated and customer care....their work is done by open books with partnering clients. Therefore need integration of information. So we have anormalized system where clients ...people...are well defined...quietly expensive actually. Which is quite sophisticated people management system ...very profitable andcompany...they do appraisals for example....whatever so

Q: It is operating in a more informal manner.

A: Yes, I could take it, this applies to my view ...There are different stages ...priorities in some cases....their ability to engage

Q: Resources they have

A: Absolutely yes.construction.....It need that person...actually

Q: So then in question 2, we are not prioritizing just one particular criterion according to your experience all these companies are looking at them and the way they feel which area they need to improve...

A: Yes, that's right. All the time we are measuring our results against the best practice virtual company and out of that actually, and also...start losing people suddenly and then ...why we losing people ...something ...agenda.....remuneration quality was not there for example.... I am not saying that covers everything, it does cover a snap shot that point in time and some other things ...do. So I think....all the time where we are relative to industry...Very much market driven, absolutely, ...what we are offering? ...differentiation to our client ...got to drive the business.

Q: Let's go to question 3 ...you are picking certain people from different elements?

A: Yes...very much I think aboutinform benchmarking against....and then choosing what we're going to do

Q: So there is a clear relationship between what items you are picking up from this main areas

A: Oh yes, what I mean , the thinking ... to showI think the danger, the big danger with this improvement issue is say let's do that up on the site and the less you got anything to ... main stream...in the business it will be find over there in our team, people ...now its absolutely essential. That is actually driven through the entire business.

Q: Now in my second question, part B, I think, now you have already identified the opportunity to develop business wider form not in a particular area, I think that is the answer...

A: Yes it is.

Q: Now who are the people most responsible for these actions what you have chosen?

A: generally there will be people and really on above the project level and generally always I think we would not take a project manager. So the project delivery ...contracts manager, project manager. So ...chart...so we expect business improvement to be driven lead by that level [higher level] and policy engaged in and implemented by ...project delivery here [lower level] ... So I think that's the point in ...Generally one of these strategies takes lead responsibility.

Q: Depending upon the issue.

A: Yes, I mean...the financial director, ...KPI is the commercial director lead on what we're doing onbusiness improvement and such that marketingissues...

Q: Now, if I ask you another question, now you have a clear definition between this project and business development in your company. Where do you find more problems or, if I put it like this. Is project operation is much smoother than business operations here [higher level]?

A: ...say that again, because I think I mean projects there are problems. We are solving problems dynamically. If I sat down with each of these people ...lets look at this week, how did you spend your time and what you have been doing all the time. Now within that...project that is what we do. That's what we look at projects, we loose the business isn't it. Say you find the contracts director... Probably lot of work we do is actually dealing with project specific ...some project itself. ...there, a little bit of work on document management or waste management therethere are lot more things going on day today basis going on rather than business improvement issues.

Q: You are giving more priority to day to day issues or your long-term plans?

A: That's a difficult question ... I don't know I can answer yes or no issue. I think in any occasion of time...like medium sized business like ours , great proportion of time of people, individuals time will be spent on project delivery than ...but time will be spent on long-term planning will be spent on whatever the way you define on business improvement issues. That isn't to say that business improvement issues are not important but in lot of our organizations what we do is project delivery.

Q: According to your experience do you have any model or imagination, how we can capitalize on this project issues and drive the company towards business performance?

A: 55.05 I think the link would tend to be a pilot project actually. So if I take visualization as an example. OK we see the use of visualization as an area which we can improve our offering, we can improve our work winning capability. Now we can't just do it in isolation. So very quickly we've got to take a project on which we're applying to. So we say OK the next project we do with health sector, we worked at Wolverhampton University to use the visualization package they've got, to use that is part of our selling exercise. So immediately there you're taking a lead from company wide vision put into a project to try as a part of. I think this linkage apart from that, then if it works there, we'll step back from that and say OK that was actually quite useful, we won that work, the client said that it was extremely useful, he chose us because in part we were because able to express our offering of our designs through visualization through our whole business. So this is the point to note it's not going from here to there, it flows backwards and forwards, it's not about business improvement over there and projects here. There is no point in improving a business, unless it is improved right the away through its operations. A lot of which is project delivery.

Q: Yes now in construction project delivery, it is a very well defined are and lot of research has been done and actually it runs smoothly compared to this long-term vision lots of managers, they focus on that. While doing that they neglect long-term planning in construction.

A: I think that's very common, yes and I would argue and ...I always ...to my career as a contracts managerit's going well. You're doing in years time we meet... your assistant will improved or your people improved and the good contracts manager you know ... While actually working with him because he is fairly week on programming in years time.... sat down with him ...programming and actually looking on customer feedback ...as long as....time, budget and quality I do my job...but absolutely most construction people fall into that category. And the way actually to make me think outside the box easy to expose them to what I called best practice through my building blocks.... say OK, we think we are good and I as the chairman actually saying to MD ...pretty good as a business, ...always good at things we are, because they are...and as you know the client he is actually saying.... and I think that's part of the role of ...particularly....defensiveI mean discussing....one of our clients got different contractors ...MD and Chairman with the client ...what could be done better than the other company ...industry. Because people think...criticize but that's how you learn.

Q: From one another and then the industry will actually benefit from that.

A: It will and it ...involve. So things like, constructing accidents and whatever and all play a big part actually in making people think...by sharing best practice, by sharing information. When I ...industry people incredibly depends, he never talked to....He kept information himself.

Q: But ultimately they are not succeeding also because the market is governed by other economical factors.

A: Yes, absolutely, yes, but I think the main point here is ...an ...isolation but you are rightless people can be have their eyes open...where the areas ...and what the people are doing, then...

Q: One way of doing that is sharing your experience about people, processes...

A: Yes, I actually encourage I mean, our people to go, last week it was the outside an exhibition done ... get down and looking what's going on ...go to best practice and talk to people but...say I am too busy... I too busy ...with project.

Q: That is what I'm trying to analyze why they don't have that long-term vision, many construction companies they plan their work because they don't have a long term vision they have to ...

A: 1.00-27 One of the main reasons is, that most people in construction companies have come up through construction companies, I mean there isn't a great deal of transfer particularly in medium-sized companies between other industries and I'll come back to [company G] in a minute, set up there is quite different, and as part of that what one therefore learns, I came through contracting, contracts manager, contracts director actually hold a MBA ...and into that, its project delivery isn't it? We were all trained to read specifications, read a drawing, make a programme and then implement that programme, tick up the box and do a concrete pour done. We want the next one, steel framework what happens next. And therefore you got a breed of people in industry who for the first sort of 10 years probably 15 to 20 years, their career have been completely trained in actually delivering things and getting all their sort of satisfaction and their thought processes from looking at what to do next and doing it and moving into the next bit. So you got therefore a good contracts manager certified is coming up to general management, moving up to there to there and suddenly being asked for blue sky thinking; it's difficult when we train people that way. That's what I mean and the industry is a very concrete industry isn't it? We do things in a sequence, we deliver things. We're not about brainstorming, well brainstorming for the point of view designing how to pour concrete but not about the big picture. We are not generally comparing ourselves with others at that level, we're about actually getting out and doing it and that is why the industry as you identified.

[Using a chart]

What that is given [company G] opportunity to bring in people from customer service facing back ground emm...and who have been in a particularly business to customer industry and that gives a very different dynamic we got people used to dealing with customers alongside site managers who're used to putting door and windows. And that actually giving a good mix of business and really liven the business up ...and it shows actually it is interesting to me look at the pure construction business like this and others. We tend to find there but people, customer facing people actually become the better managers and... and sites tend to be run by customer facing rather than the production managers which is moving away from the old product delivery do it properly we want the next one.

Q: It's another new method

A: Well it's a different dynamic. Isn't it? It is combining customer facing operation where the customer means individual customers as opposed to corporate customers and our clients and big difference there.

Q: Yes there is a difference. If you are dealing with one party it is easy to handle because you can capture their requirements easily than the cooperate customers

A: Yes... if you are refurbishing thousand decent houses a week and that's a thousand different families or people living in that houses which we got each one of them individual. You need to make sure their bathrooms are working at night when you left them. That's a very different world actually

Q: People are different.

A: Actually very different ...personal knowledge down to actually putting doors and windows and not rocket science. But that's all our process but its you know the difference between an average ...company doing that and a good company is the customer base/satisfaction

Q: So my last question, what are your comments about the values of this model. Now you said you are not using it. Its all right. But you said you had... (disturbance)

A: Well, I think it's very valuable. Because it makes you think about the building blocks of business. I think the important thing to me is not actually to follow it slavishly this way. What I have tried to do here is (Building blocks sheet) to build up a model for us which picks up these things. So my answer is I think it is very valuable in identifying the flow through. I personally wouldn't put people alongside with long-term strategies and as enablers. If I am doing it, I do it differently in some way. Because... that won't make it the same. But having said that I do things in all boxes in there (Site Systems) or there (Sustainability) or the elements on there (Supply Chain Management) are important and the project and business should be looking at them albeit in a format best suited to that business.

Q: ...more flexibility it should be able to identify.....

A: Yeah...I think the danger is if you use the model as such, particularly in a small business you find yourself generating a great process of a system, and just tick boxes ... rather strip out of this what is important and putting in a format that my team can understand and identify with because then you can make progress. Am I making sense? That's why most of the things are in building blocks.

Q: What you have shown here it is the real building block.

A: Well... I called it building blocks of best practice, that's the talk I am giving ...those 6 key things which are ...offering into market is different not just a construction company, you need a competitive cost base . You need effective people.... [Recording stopped]

Stage 1 – Interviewee E1, Company E, 2007

Q: Actually I have asked your consent, whether you agree on recording the interview.

A: I agree.

Q: Thank you [interviewee is filling the company details]

A: Let's start, well [company E] construction, 50road, and our turnover is 60 million. I will tell you little bit, because you need to see the structure.

Q: OK yes, now this 60 million is for your construction company or not for the whole.

A: Yes that's right. Now we've won 4 contracts that show the sort of things that we do.

Q: Yes In your web site, I came across that you do commercial, industrial and ...

A: I'll put an office block and there is a £ 5 million office in the ... You don't need lots of details.

Q: No, just the characteristics.

A: Yes. There is a 1 million pound industrial building in Tamworth. There is a 13 million retirement village in Herefordshire and there is a, that's one of the school projects probably like several what we do. There is a £ 4 million school in Morgan. So well I have done that, so that's office. We call it a shed. Do you know what I mean shed?

Q: Warehouse or something.

A: An industrial building, retirement village.

Q: Is it at the town center

A: Which one

Q: Retirement village

A: In the middle ofIt's in the right in the middle of thein the city center. Its 4...and that's a school...right, now when you say percentage of work, do you mean by value?

Q: Yes

A: You see, about 5 million probably most of it, is sub-contracted

Q: Ok. So just to have approximate percentage

A: 3-20 I know that last year because I'm part of the sub-contracting. We did 54 million and 35 million was paid out to sub-contractors. So that is 64 % and that they'll be about approximately 60% of the work. Actually that's the industrial units fair enough, actually the retirement village we got a lot of our brick layers. I'll make that 55 % and then the school would be 60 % that would be roughly. Persons number at the above projects...

Q: Yes, that part I think it will be difficult, isn't it?

A: Well, you see.....If I go to the office building in there we got 10 people there and then there would be typically 40 people on site there. So I would say 10 including visiting and there would be when we temporary that includes sub-contracts alright.

A: Yes, 40 "B." is the retirement village. We got quite a lot more....

Q: There you have to have more people, skilled.....

A: We've got more brick layers. Let's do the retirement village. I should have done this before you came...but in this way because you are getting a feeling of ...

Q: Yes then it is easy for me to write my report.

A: Yes, Rose garden, that's it. So we've got 12 and I would say that, there are some thing like 80 people on that site and "C" is industrial building there only be 3 there and then only be about 15 "D" is a school, that was more of a school which and we have 9 there, and is for about 35 on that one. What's the contract...

Q: Basically are you going for these partnering arrangements

A: We are, we are going, one of those schemes ... not all of those, one of those is negotiated and the other 3 were. So of those 4 one scheme is negotiated.

Q: Is it the office block negotiated

A: The office block. We don't do partnering work. We do a selective tendering. You know what I mean by that. You know about ...

Q: Yes, you don't take high risk

A: No, Selective tendering, does OJEU mean to you. That one you seeWhat type of contract. Project A... Well they are all are JCT contracts. There are different types of JCT.

Q: Because you are going for this sub-contractor...

A: That's JCT is design and build. B is JCT with quantities and C the retirement village is JCT design and build and D is School is JCT with quantities and that's good enough for you is it. Right what is a company structure?

Q: Yes that is the first question. Do you have this standard hierarchy?

A: Right what I showed you, it's give you a... of graph

Q: This is your intranet I believe, before coming actually I wanted to study a little....

A: ...you see what we do. I'll give you a copy of that.

Q: Yes please

A: You see what we do; I'll give you a copy of this. So you got the managing director and then you got the directors and you got customer care, you got all the departments there.

Q: May I ask one question. Are you in the managing directors post or...

A: No I at the moment [Mr. E] is standing in as managing director. We've appointed a new managing director. So at the moment he is not here. My formal role if you like, is say I look after administration which is basically how the office is run, quality assurance, the supply chain and the marketing right.

Q: On the internet I saw as your post commercial director

A: 11.10 No, I don't think so. I hope not. That's Neil Wilson. I've never been. As it happened because I'm the longest director here, and we got Brian is acting as the managing director. I got a few more responsibilities ok. But we got a new managing director coming. So that's my formal role. Because supply chain is how we place the sub-contracts. I have a supply chain manager underneath me Theresa and then underneath her there are buyers. OK, they buy the materials. She does the sub-contract. I have a QA manager that looks after Quality Assurance and then I have an office. It looks after the office and then I have a marketing manager. He does like the door knocking whereas I do the strategic side of the business. Hence, my involvement with David Boyd. So I'm the...students of Birmingham City University, everything is right okay. So that's where we are. So Now I'll let you have those, there is a sheet too.....There is the operation teams and ...So that shows how the project surveyors and the managers and the site people. So I can give you that.

Q: So it is a pretty standard structure, what you find in other contractor as well

A: It is and then that company is wholly owned by [group E] and there. And we are down there like that and this is the biggest company within in the group and this where the company, the [company E] family started as a building company 50 years ago. So that's where we are.

Q: Now here when it comes to your strategy, a group is originating strategy or [company E] construction makes it?

A: 13.26 No we set a business plan which is approved by, remember Bryan [company E], he is acting, but he is chief executive of the group. He would approve the business plans provided. So on the first of October which we just passed we would have an approved business plan which shows what our turnover is, what the type of jobs we would be looking for, what our structure is if it alters. Now obviously because new managing director is coming in, that

may alter at the moment. But last year there was a clear business plan that showed all those, what our profitability, money targets, what our turnover would expect to be, what's the cost of our overheads would be, what the interest earn would be, and then from that of course you're left with what profit there should be.

Q: So if I ask you the strategy, how you can put the strategy as, is it just a marketing strategy or is it something to do with profits basically?

A: It's a mixture. It is certainly not marketing. I mean make no bones about it. We're here to be a profitable organization. That's the one of the biggest drivers. But it's to have good relationships with people it's to get more repeat business. You know that because obviously the repeat business is better. We also try not to we don't want to scattergun government approach. I mean it's very easy for me to get lots of tenders from everywhere. But we want once we've got the staff that can run the company, they can run the job, they've got the skills high and therefore you know how we can best match out skills to a market opportunity.

Q: So that is your operating strategy. So you are giving some preference to people skills, in-house skills when you...

A: 15.43 Very much so, because at the end it's a tough industry. There is a huge skills shortage at the moment both at trade level on site and at office level. I mean if we no good if I went out and procured a... if our turnover say 60 million, I procure one job for 35million. It would be a recipe for disaster because our guys haven't had the experience running a 35 million pound project. So what I'm looking for I mean we're debating at the moment what is the best level of value of work and it's probably 3 to 6 million we are best at. Our staff qualification best reflect that and you see the other thing we've got to think of is that the company overheads, I'm running the office support things is at a certain level. We can't be competitive or it's much more difficult to be competitive on a £ 1 million project. Because the level about overheads is such, we are actually going to lose money. Having said that if a contract it's not just value it's how long you're on site. I mean we've got a building, a tender being sent to us today a small school for Warwickshire county council. It's only 600 thousand, 5 miles from here. Lot of our direct employs our brick layers live around here. They want it completed really quickly. They want this school done in 5 - 6 months. So actually it becomes a more attractive job. A 600,000 pound job on a annual basis is a 1.2 million pound job. So we would go for that. We might not win it because first we're competing against smaller builders. Whereas they won't compete with us on the bigger jobs and the same way we as a regional builder can't compete with the national contractors. I mean if we want to build a hospital we wouldn't even be get on the list.

Q: You have some sort of categorization of the contractors here.

A: Oh yes, within the industry between...

Q: Now you said you are competing with small builders in that particular project. In that you are not competing with the national contractors?

A: No we are not. I mean no national builder will look at that. Most of all those 4 - 3 jobs we looked at, I mean the retirement village at...and Morgan the competing contractors were all similar size contractors turning over £40 to 100 million. So we all got the same level of overhead. We got the same level expertise. The £13 million one might have one national contractor, I forget, but probably not.

Q: Now when they send us tenders of, there is no restrictions, who should bid.

A: Oh, yes.

Q: Anybody can...

A: Oh no...and I spend lot of time and money on bidding to get on to a tender list. I mean...I mean those two...I was...to be. You know what...that's a European...it's the office. It's the EUs directive. That puts out ever single public contract over 3 and half million has to be advertised across Europe. Are you aware of that?

Q: Yes, because they are changing some of these requirements for tenders.

A: Its been pretty...for one time if I,...you should see this really... Basically the every day I get a thing which shows all of the contracts in Britain that are over 3.3million, for public money. It could be your university, it could be hospital, it could be that school, or that retirement village. Typically 25 people will write to that organization. That the retirement client or that school say please send me details or contract. Electronically a huge questionnaire comes down.

Q: Just to see, it's some sort of a pre-qualification

A: We call it pre-qualification questionnaire PQQ. So at PQQ account I will then have a look at in detail, this I could go for it or not. Probably 25 to 20 will actually submit their details.100s will see it but decide not to have a go. Of that 20 they will then score us on all sorts of things about our relevant experience, our financial strength, about our insurances, our team that we putting forward. Then they will then go select probably on a design build 4, on a non design build 6. We are then a tender stage and only then we then got a tender contract. Now there is a big process there, and what will happen issecurity councillocal. We haven't work for them 20 years. And I saw a school in Morgan and I like to look up. So Emma and I applied for it. We put a big presentation in, and then that. Its all public all public, open. We then had a letter fromsaying [company E], we are pleased to say you will be on the tender list and by the way here are the scores of 20 people then, and all the different categories and I can see where we did well and some didn't. It didn't give me the names of the other. So then, when we are in 1 in 6 situation. We then tender and that's a big operation and I'm sure to bid that we won. I think its £3.8 million project. We won it, about 40,000 which is nothing. But we've gone

from 1 and 25 to 1 and 6 to and 1 that's at a big expense. Where it's much better where you can negotiate that project. Like that £5 million office block, you know really well and they want us to do it...any builder....negotiate ...It's a very small builder, unfortunately haven't gone for it....

Q: So the company strategy, you have explained it very well. So future since this managing directors post is not yet confirmed...

A: He is a guy called [Mr. Q] interesting ...strategy of the company, he at the moment is a very senior director in Carillion.

Q: Yes, it's a very big company.

A: And he... before that is a very senior director of Moulum. Moulum is taken over by Carillion. And I think he feels that he would rather be with a smaller company. So at the moment he is running £500 million worth work. He is coming to us to run 60 million. So he is obviously coming here [Mr. E] wants to lift. So the strategy of the company is to lift.

Q: Not to keep it at the same level.

A: No, That guy comes for £60 million company...

Q: So, if you kindly tell me, who are the people involved in creation on this development of the strategy. At the moment its you and

A: 25.36 The board of directors, so and there are, oh here we are, lets have a look at the Organogram, I'm just giving you. So there you've got Brian [company E] acting, myself, Kris Collinon who is the operations director. He runs the sites. Neil Wilson is the commercial director. He looks after the money side. Steve Dunning is HR director, and then Delwyn Grows is the financial director. Delwyn sits on the group board as well and Steve also has a group responsibility. So those two are earning a salary across all the companies. So we decide the strategy of the company. We will take notice of the senior guys when we involve them with a bit in it. But basically it is up to us.

Q: So let's go to section B then. How do you identify the need for the business improvement?

A: Right. We had a lot of debate about this. We just decided with the new guy to actually adopt the nationally used KPIs. Do you know what I'm talking about and there is a group, construction excellence organization. Last year and I think we made a mistake. We tried to have our own KPIs now from with your own KPIs you can't measure yourself against competitors.

Q: Yes, unless you adopt the standard methods.

A: That's right. So at the moment we come at a difficult period, because we are not going to take the first year over KPIs.

Q: Yes, You have to give some time

A: You do and you have to. What we have done, some of the ones we had in the company, were probably very close to the national level. I mean...and, we monitor what our customers think of us at the end of a contract and we get feedback there and we monitor our safety statistics and the predominant... That's a national. Its an ...The government got number of actions you had per 100,000 man hours and that's very good. Because you can see what you are compared with the national average. Now the government at the moment having a big thing on safety at the moment. Because the number of deaths in construction is going on. Now there is something wrong there. Because we are much safer than used to be but so why is it going up. So they are setting targets and they are looking at the redone accidents. So that was something that we do, we measure.

Q: You adopt

A: Yes, we will.

Q: So other things also you are going to adopt standards eventually from KPIs?

A: Yes, we are... it'll be customer satisfaction.

Q: Yes that is most important thing.

A: 28.55 Yes, I mean, to me that's number one. Because if we haven't got satisfied customers we are not going to get business

Q: You are not going to get business...

A: And I will see this is private... There has been an issue in company that our customer satisfaction is not as good as it could be. It's lot better than others but it's not right up where I would like it to be and [Mr. E] would like it to be and the new guy would like it to be. So it's something that we are... we want to work on. I mean we've got one or two very good examples. We've got a couple of I mean four years ago we were building, five years ago no retirement villages. We're actually almost by accident fallen into retirement villages and we're doing very well at them. We've got two national clients. That one of them is negotiating with us. So the Tewksbury, the one I mentioned that's one of the jobs that we could pick. We were building 6 million pound retirement village at Tewksbury, just about to finish. It has gone really well. About 3 months 5 months ago they said to us, would we negotiate another one in Bristol Portishead on Western-super-mare. So we are on site there and now talking to us about a third one. Now that's fantastic. So that's 3 job contracts of 6 million pound negotiated. Now sadly, this one in Hereford is going really really well. But because it's entirely public money, they can't negotiate with us. So we're going through the OJEU process now which is... I mean I think I would be very disappointed, we don't get on the tender list because of course they've seen what we're doing and they know what we're like.

Q: It is actually quite I think more specific work compared to other type of work

A: Yes, It's a niche... and really that's what we our size company have to got to look for niches. I think I mean won't spend a long time with you. There is a model of crematoria up there and I'm actually pushing to get to build crematoria. Because there aren't many people that build them. Not many of them have been built over the last 40 years. But there are new rules on... when particular people of my age have mercury in our teeth. The governments over the world people have found the mercury is going into the atmosphere it's not affecting in UK at all or Europe. This is an unbelievable story, but it is landing in South Seas the tuna fish are taking it into. Mercury is getting into the human body. So they say all crematoria from now got to have a big lot of equipment put in to extract the mercury. So I've seen that and, I mean this is confidential thing in a way. I believe that we could, I'm talking to some people doing a lot of work with them. Because it's a specialist, it's a niche. And the big contractor with huge money they don't want to know about. The small people won't either. Because the jobs, the projects could be all over the country.

Q: But in your capacity you will be able

A: I mean we got sadly, we've got kind of a model, completely different we just show you ...Somerfield stores.... Now they have been through a difficult period. Because their business is being squeezed by the.....only got a niche in town, smaller. Now we since 2 or 1, so that our 6 years we convert it over 50 of their stores. We convert it around the country. Now what is specially, they never closing down. Hardly ever in large, but they spend typically £ 300,000 of money about every 3 or 4 years. Putting new air-conditioning, new extract systems, new refrigeration and we are one of four contractors.

Q: They hire...

A: No, We are one of 4 contractors we're on a framework a partnering framework. So they just know we actually get involved by giving them help them on the viability in saying say how much something going to cost to. Now, sadly because at the moment that works dried up. Because they are financially, they are struggling. You know they, I mean they don't have business or anything, but their capital cost. Now in a way they got to put the money in. Because it is a competitive business and Mrs A when she goes into the Sommerfield and in ...high street and there is a3 doors down and the ...spending money she is going there. So you see that is a nice little niche we got. National...won't do that. The small companies..... won't do it. Good for us and we build we did one in ...and we've done one in Newcastle upon Tyne. We've got guys, don't mind going all over the place.

Q: So there you are you can capitalize your profits just going to be repeat business

A: Yes

Q: And for them also there is an advantage since you are in the business they are bit sure about the quality of work and the time period. Time is a very important

A: It is vital, absolutely vital

Q: Rather than giving into... Let's continue from there. Now how are you distinguishing this project delivery from business improvement? We talked about the business improvement

A: 35.13 Well, obviously each project we, every month, every board meeting we're formally looking at how the profitability on it. And if we see a trend where we are not making money on a particular type of job, we drop that and we will then look at as to where we're getting better and better. Now, we are very happy with our retirement villages. So we've seen that. But we are not sitting on our laurels how can we do better on the next one. You're now, we are looking at one now, I won't say too much but we are looking at different forms of construction. Because you know, can we manufacture more off site? If you've got 90 units, you've got 90 bath rooms can we do that. One must resume necessarily because there are disadvantages of manufacturing off site. You got to have a long, you might be quick from site but leading is longer and then you got frantic thing that when they are all delivered. So some got to manufacture those all for a short time so it's not that easy.

Q: But anyway you are, what you are trying to do is to have the business plan first and then align it to your projects. Not the other way round like the other contractor.

A: No we got a business plan. We know what we want to do.

Q: Yes, many contractors they don't have a business plan. They want to move with the project plan.

A: No we clearly do and I mean enough.

Q: So that is actually my interest. How you transfer the business plan to a project plan to get done the project not the other way round what's actually happening in the industry.

A: 37.14 Right. I mean the sort of thing this is, we were looking at the business plan. Its value, its outturn, its clients, its consultants, who do we know, what can we do really. I mean that's funnily that's our focus for this year's business plan.

Q: So here I can take that. You have a clear business plan and a clear project plan separately like.

A: Yes we do

Q: But they are any way transferred ...

A: 37.50 You see we've got a large project at the moment which I think we can get on the list. I won't tell you much more. We may well turn it down because it doesn't fit the business plan. It's a tough call there because some of the guys, middle managers won't like that. We've got one clearly, now I won't say

much. We just started very successfully, a project that we make some money and the client likes us but he is now offering us a much bigger contract and it's a very prestigious, its in a sector, you know all have names on the television . Do we want that? The guys will love it.

Q: But if something goes wrong in such a big project in your reputation.

A: And also more than that we may have competitors only want to get it .Because they want to be... They want to be... They will go for it ...whereas we are a private company. We don't have shareholders... you got to keep remember we are a private company. We don't have shareholders ...[Mr. E], in his family own it. He is, quite ...all knows about that.

Q: So you don't have to enter into business unless there is a necessity that you need, either to introduce yourselves into the market or something. Since, now in your case it is well established. So you don't have to ...

A: No we don't have to; I mean we got to be careful we must be aware of changes. I mean 3 years ago for 10 or 15 years we've built a lot of prisons and we had a lot of expertise there. The government is pushing these huge, big, is beautiful contracts they decided about 3 years ago, they had far too many contractors on prisons. So they advertised on OJEU a framework agreement. We spent a lot of money to try and win that job. We didn't get there and what's happened, they placed the award with 5 national contractors. Now that was tough for us. Because actually a quarter of our turnover some years was on prisons. We were making a lot of money. We were very good at them. We were understood the disciplines of working inside the prison environment, perhaps having all the guys approved and everything. That market disappeared. Now luckily the retirement market has almost replaced that. But you see, so I don't see, I don't even look at prisons at the moment; we're not even on the list. What is very interesting is that actually a lot of these frameworks are beginning to break down because the client. If you've got a county council our own local one Warwickshire, this company is built up 40 - 50 years ago building Warwickshire schools. Brian's father Tom was big into there, and when I came here 15 years ago we were still doing quite a lot, 4 years ago we didn't make the list on the framework, because there were all national contractors all bigger than us. So what the framework says Warwickshire say to all the local schools say by the way you go to this contractor. But the schools are autonomous, some of them are financial organizations and they say hold it. It's costing me more money to go to this contractor. I don't want to go to. I want to go to so and so...funny enough, we started it again, the tender we're picking today is from the Warwickshire county council and it's not gone to the frame work. And when the guy phoned me I said to him...don't ask too many questions. I know exactly what's

happening. Because I was a Governor of large Solihull sixth form college and I know we were autonomous. Although the Metropolitan Borough might be telling us who to use, we were directors and governors we ...you know. So I am watching the space on the frameworks. I think the huge prisons would be, you know probably the big Rail track jobs, the hospitals and things. But the smaller contracts I'm not sure it's right... Now into my strategy that's something I am keeping my eye on.

Q: Actually those framework arrangements are making bit of complexities.

A: Yes they are. Its bureaucracy you've added a huge amount of bureaucracy which is not favourable for you and I as tax payers. I mean that's the way I look at it.

Q: The next question is, now what percentage of your time in the director board you leave for business performance discussions

A: 43.13 We have a board meeting every 2 months. It's interesting because this last board meeting, I won't show you this it's private. There was the agenda, minutes, HR report from No. 1 people side then marketing - me, estimating, construction reports . That's how the jobs are going, how about the safety. Those two are linked how much we are making money, any litigation, IT. Now actually the new managing director was here we spent, and I was pleased we spent, a lot of time on marketing. Because the company uses marketing you know why, what we want to do, how we do it?

Q: That is important for the long term strategy

A: This managing director is a new guy, is very much in to marketing I mean so that's what we are

Q: Is it possible for me to get a copy of this sheet. I know these are very sensitive information. Just

A: I think this whole report, why don't I just look the board meetings agenda is the minutes of last meeting discussed HR, people side discussed at length, marketing. It probably takes, I will say to the quarter of last board meeting 2 hours or 2 and half hours . Now with the reports, the back design, where every body see. So they are looking at those reports by exceptions. So it's not, and there were couple of things about .We discuss the company jobs. Should we be going for, yes or no. And that was discussed at board level and the decisions made come out of that. Not necessarily making the decisions that time, but actually what we going to look at before we decide the strategy is decided there. Construction reports are discussed how the jobs are doing. Safety reports, how safe we are. Commercial report and financial report is, the money side or making money and if not where, why not, where there is more opportunities. IT report spends a lot of moneycompany. I think [Mr. E] invested £ 2.3 million in the last 2,3 years in the IT I mean we share IT across the group. I mean the intranet is the group intranet

Q: So the next question is , now you mention that marketing you allocate about the 40 % of the time of that meeting.

A: Let's take 30 %

Q: So it's quite a...

A: I mean, Imy personal point of view and I think probably not many of our competitors and this is not my about me as Bobbut Brian 10 years ago . I'm not a marketer here. I'm a builder. He actually said by the way Bob I want you work full time on marketing. Because I believe that's important. Now that's quite unusual for a company that's turning over 15 million a year. 50, or 60 million, to have a full time marketing director. Bearing mind I'm not actually dealing with the door knocking. So I'm at the strategic side. So that's quite an investment and quite a assign.

Q: You know the actual job and what you are trying to do is you are trying to see, what sort of markets , are going to be profitable in the future like

A: Yes, and we can do and satisfy, Its still a family firm So we want to have happy people out there, because actually we got happy people , we got happy jobs . We do rather well

Q: Yes, if your people are not happy it's not going to turn a profitable business anyway. You have to look into the welfare of skilled labourers in the site as well. My next question is now, you mentioned actually the answer hat are the things discusses at

A: Well the things discussed at the board meeting are safety obviously. Because it is vital in our industry .We have very sophisticated, within the group we have a very sophisticated IT system of monitoring safety. It's a hand held. We developed this system where our own outside managers have a hand held and they go around and they check conformance and non conformance. It's very sophisticated. If they see an issues that needs reporting you can email a letter to another company. We can take photographs, on these PDAs andat the board meeting we look at all the trends of the reports which is quite interesting.

Q: So you summarize it something like that

A: Yes here you are. There's all our sites. There's all our reports done. We've got a traffic light system. So these two sites with red, which suggests that the reports done there is showing that something not done quite right on safety . Now that's quite sophisticated and unusual.

Q: Yes. Otherwise it will be lot of painful work for you to maintain these records for each and every site

A: 49.10 We, I mean the first item on the agenda is HR. Because we are a people business and we spend a lot of time on that. We analyze, you know leaving, because of leavers this industry has a high turnover of staff at the moment, which is bad and it's something we can't take on as a company. But

we've got to try and make sure that we were keeping our people as much as we can but there is a big big problem out there. Which means there's a lot of people are actually over promoted and that's a very difficult thing to control.
Q: But you have to keep them in the company rather than allowing them to leave and train new staff.

A: Yes. It's a balance. You can't get into a system. You just, you want to keep good guys on the end. It's not just money; you got to keep them in a position where they are happy

Q: Local environment. It's actually a deeper issue in the industry nowadays. Now do you think you have to discuss this business improvement more at your board meetings or are you happy with this level?

A: No I think it will change. I think with the new guy will discuss even more.

Q: Let's go to section C.

A: EFQM I know of it and a sister company did follow it up.

Q: Do you have any of their comments about the model?

A: I found it about 3 years ago and I was slightly ...about it. Because I think there's a lot going in. Because it looks smart when you are marketing the company to say you got your EFQM model. I would like to have that. But its not higher my priorities. Since I'm responsible at the Quality Assurance, and I would rather see QA is absolutely fantastic before...

Q: Yes. Now this is actually based in quality assurance principles and business performance is somehow other dragged into it.

A: I think, I don't want to under play that we've got a lot of issues, I mean on our marketing side This is a big big thing on environmental issues at the moment .

Q: Yes, that is not captured yet...

A: 51.57We are addressing a bit of environmental but we are not addressing it enough. So for instance in the next year we will almost certainly go for ISO 14001. Which is measurement of environmental issues.. Now the problem is, I got to be very careful when the company turning over 60 million there are so many initiatives and ideas. That you can't do it all at once, as the firm grows we will have. I mean we put ISO as one of the first our size builders to do it. We are pretty good at it. But we are not using that to it's full. We are about to do KPIs, we are about to do environment things. So this is one that I say slightly lip service to because I felt, one of our sister companies and the guy, then managing director ...being on some masters course or something decided this is what he is got to do. And really they were spending a lot there which and they were doing it, because it look good on the pre qualifications things. So I'm probably going to disappointed you because we are not there yet.

Q: No what I'm doing is this. I'm taking this as a tool to investigate your company whether you do something with these enablers. That's all . I'm not saying KPIs are

bad . Because my previous dissertation was on KPI. You must have already studied about KPIs by now, advantages, disadvantages and complications like that. So this is my next thesis going to be based upon this model. So I'm just using this enablers. Because I thought, now all these 5 points what they have mentioned as enablers are quite useful to your company. So that is actually, I can say in my mode of inquiry into business performance of a company. Once I gather all the basic information that is what I just...

A: No, that is good. It's what we talk about the leadership the people, the policy, the partnership, the resources, got the people, then the processes. So...

Q: Now here you are ultimately get the key performance results

A: So you are actually putting a structure of what we are doing or trying....

Q: You have talked about all these issues. You are going to have a new director, a managing director. Who will be looking into certain marketing issues at a higher level and then you acknowledged people are important and then you criticized about partnering arrangements and then you said that policy and strategies important for a company , then the processes . You are saying processes are managed bellow the directors in your company processes. So now what I want you to tell me is this, if you get a chance to improve your company's business performance, which area you will prefer to touch out of this 5.

A: Out of those 5

Q: Or you would like to take 2,3 areas or all 5 together . What is your opinion?

A: 55.53 My own view, well, number 1 is got to be leadership. I mean we are going in a limbo here we desperately need that new strong guy. There is no doubt about it. Because with good leadership a lot of that will follow. That's my number one... I just filled in an internal job satisfaction... staff review thing. We desperately need that new guy. Because we've had a difficult period I won't say much more than that. Because good leadership makes good people. The policy the leader can do with the board, partnerships and resources are obviously he is very keen on the resources....partnership is little bit because that follows on from those. The processes, our processes are very good. Our problem is the, some people always don't always follow them, which comes back to the leadership, [to resolve such issues]. I mean people got to follow some way isn't it? You know our staff turnover is not as bad as some but is not as low as I would like, [Mr. E] would like, you know and we've lost some good guys...

Q: So it has created certain noticeable difference in your financial performance. If I put it correctly

A: And the customer result of course. The last year all the current projects outside. Just about we got good customer results. But some of the ones you go back the year are not so good. So that's where we are.

Q: So that means, you have to align your processes to satisfy your customer

A: Yes we do

Q: So processes cannot be improved if you don't have the resources and if you don't have correct people in charge. That is actually my inquiry into. Now how to stream line this business performance and project performance to gather. So I'm using these. I can say I'm using these words not the structure as it is

A: No I don't have a problem

Q: So my next question is you mentioned that you want to touch with the leadership because it is very important and you mentioned that the company has undergone bad situation without a strong leadership

A: Let's put it. It has performed well as it shows , that's the way I would put it and the new guy is, that's something with the chairman of the company and we've gone public about it . It is something we got a new guy and....

Q: Ok. So that is the main criteria you want to prioritize.

A: Yes....definitely, that's what we got. Because if we got that right, but I'm not saying....But unless she got that right it doesn't.

Q: You need to have some form of vision coming from

A: Yes you do

Q: Now next is again based upon leadership. Now you mentioned, now my question is how would you go about, you mentioned that there is a person who has already

A: And probably in couple of months he will be here

Q: So the next thing is do you see any opportunities to develop in your company in each of areas we discussed like people, resources, policies...

A: That's got to be another one. I think this way, I think we got some very good guys and I' using guys for the males and female to be correct...always talk about and really it's a matter of drawing , we've got the foundation of.....good guys with good leadership go forward very well , and we got a very good...I'm saying about that. [Mr. E] ...you know very hard and a dedicated guy . Well the [company E] name is quite good. I mean I' m the onebecause I'm in the front side of the company and you know I don't have a problem

Q: If you don't have then definitely other people are not ...

A: I might have personal problems. Because I might get older.....

Q: My next question is once you established the process, what sort of a mechanism you will engage to monitor and improve the system

A: That stuff number D

Q: Yes

A: 1.01.32Right that's interesting because we are having a... another thing at the moment. I've got personal views on this strongly; our QA- Quality

Assurance is a massive system. If you go, Oh that's interesting here's an OJEU tender list coming...

Q: They have the web site ...This is OJEU...This is coming on 2nd of the eleventh...and there are throughout the country and 8 projects. I don't look down there. I see where they are, Birmingham I'm interested oh its road construction. But we don't do road construction, but if I was, if you go there, Lets take one ...council. There you've got a huge questionnaireand then you have to give an expression of interestand will tell you the value of the job, the total is 40 million over 3 years, too big for us.

Q: 40 million over 3 years

A: They will not... Edinburgh, if Edinburgh was within our area. Most local authorities were not give a project more than a quarter of your annual turnover. So the fact that the turn doesn't matter. Our turnover is 60 million divide by quarter 15 million. Because in the end we are actually signing a contract that is 40 million. So we wouldn't do. So that was quite interesting. But if I go to, what we trying to do is, now here is a QA which is a massive....

Q: Do you have a....or something similar for that

A: No it's all intranet, but you see. But it's a massive thing. If you want to look about estimating so that new contract notices how it's done, weekly tendering report etc. Now that is so big you finding new people done ...enough to answer your question, what we are doing, gradually. We are, I want to put in process mapping. Now here are [company E] construction process maps. Because these process maps, oh that's an early one. We early start just put it in. But from the process maps you could click down. It's got a Google type search facility that you can get to a drop down standard form. Now that to me is taking QA from being a cumbersome, I mean if I copy QA to you, it will be too... "How can anybody grab that"? They can't do it...So I want to take the processes onto a mapping system.

Q: OK, what you are saying is this when it comes into quality assurance and you are going to join it with safety requirements as well, and then merge them together.

A: We have study enough safety and have debate about that. Its almost separate. We got a different health and safety is a different thing again

Q: Yes you mentioned about that

A: And is also there is big documentation equally as to be, but to satisfy the government you know, I mean this is massive. There are so many pages on this. It just goes on forever waste management, environmental, use of handheld devices. So you got a huge system there .So at the moment, that keep safety happening. But what I called the normal quality management system, I have to place an order, how do you follow it until it, how do you program a contract, how do you do your monthly evaluation, how do you sign a contract, of all those this is a massive thing. Now I have been around for a long time by normal way to get there, but you got

new graduate coming 23 years and now the great thing try.... without the process map. I mean I'll give an easy on example. They want to put expenses, huge run go through expenses. But if you go to the process map, you put the expenses in the searching...

Q: It just you have to feeding the data.

A: So at the moment, well that's some thing again another issue that we got which would be, once a process is established. So QAs are established. The sort of mechanism is engaged to is a flow chart, is a process mapping.

Q: You don't have any hard copies of your samples of process mapping with you.

A: I can get you one.

Q: Just to get an idea about this. How it will fitting to this daily work like

A: I can give you If you want little bit of QA

Q: Yes please, if you have some samples

A: I might send them to you. But I'm sure definitely get that.

Q: OK, thank you, you can send it to David Boyd or straight to me.

A: Have I got your email?

Q: Yes

A: Of course I have, yes.

Q: Then my next question is your expectations of such a system.

A: 1.08.00My expectations are very strong. I am determined to put in. Because I'm responsible for QA and I know again it's not being done as well as it could. I'm not blaming people. It's too cumbersome far too cumbersome.

Q: So that is why you are implementing this process mapping system to make it bit more simplified and how you are going to use that to shape up business performance , long run companies

A: You see, we do QA awarding. I've got a guy; a manager goes round to sites practically he'll go twice on a site and to satisfy ISO 9000. He has to check some things and he does check list there and we are alright but...

Q: Yes, according to that

A: Yes but that's not the true thing .What I want to do is because with the system, where something is going wrong. How can I get an example? I don't know. We are behind programme. No there is an easy one. We have a big thing without business an architect consultancy designers have a flow of information. That we want information from them. So we do what's called a drawing... information...one of the job and each month at least, you review and if you find actually ...information late and you got way of...., suddenly with our guys we tend to be looking, set it too late, giving it too late. I would like some process map, hold it every week , you know back , you should be reviewing, Say Mr. architect You should be reviewing Because of again with the process map . You could actually take the map and pin it on the wall and say there you are and by the way we got astarting in 20 weeks

...place the order, what's the process to place the order. A new guy to the firm can ...place the order and see how to do it ...That's the sort of thing I'm after.

Q: That is actually some form of pre planning, programming something like that.

A: Yes, it is. I mean we got plans and it's like you know they are not bad, we could be so much better because its complex. I mean the building is complex. But it involves lot of people. I mean place the building simply putting foundations and putting roof and putting side walls....but its planning that everybody does their right business right time

Q: For then to come together, need lot of backing from the people

A: yes, you do

Q: So my last question your comments about the model

A: About this

Q: Yes

A: Is it the original one, or

Q: It is the originals, I have ...

A: No, I mean you can see KPIs fitting to all the ...from there and its interesting that the society result is coming from...I mean we measure that. We belong to a thing called consider constructors , where they go out an external organization .They go around our site typically twice and they measure society results and they score us and we want to try and get a high score

Q: It's something like benchmarking...

A: Now we ...I'll give you a copy of considerate constructors

Q: Thank you very much for your time

A: Obviously everything we said, what's going to happen, when using other contractors and do you using and the end putting into an intern paper is it?

Q: This is actually my PhD thesis. David ...is my first supervisor and I have another supervisor from Birmingham university Professor... you must have.....He publishes a lot.

A: I mean...

Q: Those two are the supervisors I have so , what I'm doing is, now this problem in construction is not like in other industries . It is not a straight forward industry. You can do well in many projects but if one project collapses whole company can go down. So I'm trying to see what the contractors are doing wrong for that of type thing to happen. So during my ...review, I found out that there is nothing called business performance in medium stage constructors and not the, big large scale contractors because they are always business driven. But most of the constructors bellow that level, they are project oriented. So what I wanted to see is to analyze all these interviews and suppose to get at least 15 views, this managing director, director level and people from that level and then my analysis actually...

A: So what we done is private between us and you. It's your PhD...

Q: I'm not going to name the company ...the people whom I have... It is actually confidential even I don't think he will ask, who said that, like that.
A: I'm really would be interested.

Stage 1 – Interviewee F1, Company F, 2007

Q: Mr. F1, Thank you very much for giving me this opportunity, for this interview.
A: No problem thank you.

Q: So shall we start now. So my first question is what is your company structure?

A: **00.17**Right. Well the company structure was, I'll refer to the old company structure, rather than the new one, there were seven shareholders with six working directors, I am one of the working directors. It consisted of two joint managing directors, one on the finance side and one on the construction side. Myself as design and development director, a surveying director and then a marketing director and a company secretary.

Q: Now do you have a standard hierarchy here or you operate in a different way.

A: No, We basically operate the same standard hierarchy. I got the company structure, if you like.

Q: Yes please I will collect a copy of it. Then what is your strategy?

A: Our strategy on the basis of the future...

Q: Yes now the question is actually coming from my research. Because always these contractors are very focused about these project. Many of this medium scaled contractors, as I am studying they don't have a overall business strategy usually, but I am sure here you are going to tell me about your business strategy. So I want to see why many contractors they start operating since they focus on projects, if one or two projects doesn't work the way they expecting it. Then sometimes they eliminated from the market. So this cash flow within a company is quite important for a contractor comparing to other industries. So that is why I specifically want to know the company strategy here.

A: OK. Well the company strategy has been developed over a long period of time. The company started at 1865 by the original family.

Q: It started as a family.

A: **02.35**It started as a family company, as a general builder did many things in the process of getting to where we are now but started as a family builder. And the strategy which the directors, board of directors adopt at the moment and will do I think for the foreseeable future is that we don't like to be in any one sector. So we market and also our strategy for tendering work is on the basis that we try and go across the market. So we are not predominantly building for schools or hospitals or commercial or industrial. We do some of everything, that's on the basis of, if the market took a down turn in one sector

then we are in the other sectors to be able to even out our work load and turnover.

Q: Yes, So that means you are into civil engineering construction

A: No we are purely constructors

Q: Then I read somewhere that you are doing some manufacturing interlocking products

A: That's within the next job into the Vinci organization that's not the we're.....

Q: Thank you very much because I have noted it down and I wanted to clarify that

A: No the company is purely a contractor.

Q: So when it comes to your strategy, what you have said is you are not interested in a particular marketing sector, in construction you try to have different avenues. So if one is flooded then you have another opportunity.

A: **5.00** Absolutely we also diversify the company into two different sectors within our organization. One, focusing on the main contracting and the other focusing on fit out works and fast track. So we are able to offer both sectors to a client. So if he wants, say an office building, we are able to build the shell as well as fit it out.

Q: So do you find when operating in these two ways it conflict your workload or something like that, in the site.

A: **5.43** No the two work hand in hand and gives us the flexibility that we need.

Q: Yes, whenever you are delayed in one sector you can bring the people from the other sector and continue them. Then my third question is what is the company strategy for the future...

A: To do of the same.

Q: You said the company have already...

A: **6.17** The Company at the time of setting a benchmark, because of the transition into the new organization. At the time that we're discussing it, the strategy was to do exactly what we're doing, not to increase the turnover, not to increase the turnover dramatically, obviously you need to keep up within inflation and also we need to grow the business slightly. But not we weren't turnover driven, where the idea was not to drive the company by turnover, but to be more selective in the projects that we were actually tendering for and therefore winning.

Q: Sorry to interrupt the selection... is it base upon risk reduction or something like that?

A: **7.03** It s based on both risk reduction and also our ability to be able to maximize our return out of the project.

Q: That means, you try to get jobs where you can make more profits.

A: Yes, and add value our point of view, not the clients' point of view.

Q: That means you take into consideration about your people skills in the company.

A: Yes.

Q: So that way you are adding more value to the project through your ability...

A: To basically do exactly what you said to reduce the risk.

Q: Because nowadays actually we are have that problem. People are entering into partnering arrangement frame works and their costs going to go very high and they do not pay much attention to the skills some conflict you know.

A: 08.20 I subscribe to the view of partnering frameworks and that type of management exercise. But in practice it's not as easy in construction

Q: Now this strategy what you were describing to me which was placed in your company and yourhow and when it was formed?

A: When was it formed?

Q: More than when how was it formed?

A: It was formed over a long period of time; well a long period a time ago, we decided what we were going to do. That was too quickly, the company ...over all sectorsAnd that was probably about 30 years ago, and that view is not changed. My view is not changed over the time. It's giving us the ability in the 30 years; where we have seen a down turn in say local authority work because of the funding through government, basically drive for couple of years. It's given us the ability to work in another sector and keep that turn over. So from the point of view does it work, yes.

Q: Now who are the people involved in the creation in development of strategy?

A: Board of directors. We act as a complete board. So everyone has a voice. And that task has given to the joint managing directors too, to put into operation. So it isn't, we are not a board where the MDs decide what they want, and then we all adopted now its more on the case of a team of directors. It evolved because when the family members own the company, the board of directors were the next tier of management and we worked as a team. So that team work has gone through, when we bought the company from the family members that team ethic move forward

Q: Are there any family members still in the board

A: There were two family members, the company secretary and also the marketing director

Q: So if you can give me an example of one particular activity, how it has gone through the board and it has absorbed or delivered across your company?

A: 11.38 Well, if we're taking the strategy of being diversified within the construction type, clearly that was a board decision. So from marketing point of view, marketing was on the basis of marketing to a broad breadth of customers, to be able to deliver that the required tenders into the building. When the tenders arrive then they are scrutinized from the point of view of risk. Our ability to win the work and is it in the right sector. So if we have to, say 10 tenders which were apartments and one commercial building, then we

would select down from the 10 apartments to make sure that we took the commercial as well as the apartments. And who develops that? That would go straight down through marketing, because there is a marketing director and a business development manager, so he would be charged with the same view and when we goes into estimating, the estimating manager would also be told that, well he knows, because it's been something bred into them really a long period of time.

Q: So from your view, now as what I have collected from your information... that you are not targeting a particular market. You try to diverse into different types of buildings and things. And then marketing point of view here is to get different types of work in the same duration. Am I correct in that?

A: Yes, I mean we clearly only target to certain value work and the organization is geared to carry out work from probably £ 750,000 up to 5 million. We don't target any work larger than that we have carried out work up to 10million , but the main trust and target is between 750000 and to 5 million although the main work is in the regional is about £ 2 to 3 million that's where we...

Q: Now when you say that, you mentioned about 10 apartments and 1 commercial block. So you are trying to see which apartment you are going to drop to accommodate that commercial block into your work portfolio. Now when you look into the fact that apartments, though their design is different but they are similar to some thing like repetitiveness , why you don't looking to capitalize on repetitive work and why you are going to diverse, is there any particular reason?

A: 15.14Yes there are a couple of reasons. Generally the funding of apartments is a more torturous route for the clients. It's normally through the bank. So there is probably more risk in whether you're actually getting the money at the end of the day than the commercial which probably is developer lead. So [money is assured] there is that factor, the other thing is that, we have taken the view although apartments are the flavour of the month at the moment, so the flavour of the year. If we carried out and started to do too much work on the apartments, then in 5 years time if the market dried up you could be in a position where you haven't kept your foot in the door.

Q: You will be labelled as a contractor

A: Yes, that's not to say , that if we said market share or turnover share, We would be prepare to probably do 30% apartments, but we still want to be doing 70% out of the work.

Q: Apartments what you have referred here are they the retirement apartments or just apartments for any type

A: Yes I am really talking about starter in the city apartment not elderly persons.

Q: Right, because these retirement apartment is a new...

A: Yes we actually building lots of retirement apartments for one specific client, and that probably is a 15% of turnover, client could be moved, could be 20% that's specific.

Q: Yes because they have specific requirement in those apartments, not like the other high quality apartments

A: No.

Q: Let's go to section B. Now how you identify the need for business improvement, if you can combine it with an example please.

A: 17.44 Now when you talking about business improvement, clearly we're looking at the triangle of cost, time and quality. Obviously cost, we are looking at cost all the time because we need to make a profit. The cost is very dependent upon quality and time. So where would we be looking specifically is monitoring time on site. Because each project clearly, if it overrunning, then we've got a problem. So how do we monitor that - and that is monitored every week through the construction side of the company or the actual doing side of the company, contracts management that's monitored. We have a report sheet. We evaluate, we see where there is a problem, or if there is a problem reported and if there is a problem reported then a member of the board is tasked with looking at the project and see what's going wrong and see that can be put right.

Q: So that means construction activity is closely monitored and you give more preference to time duration

A: I can't say that we give preference to...

Q: Yes time and cost, they are all tide up.

A: Yes we look at all 3 to be honest. We look at time which is monitored through the contracts managers through their meetings. That's then is reported to the board. Quality is reported because we have a QA system and that's then monitors it through to the board and obviously the money side is monitored very closely. Because of the QS [Quantity Surveyors] and that is reported every month.

Q: Now if I ask you the amount of work you sublet, is it a bulky amount that you sublet into your nominated sub-contractors.

A: We have apprentices. We have 12 apprentices which we look after and they are in various stages going through their apprenticeship. So we invest quite heavily in training, but as regard to the projects which are on site, as a rule of thumb about 80% of that value is sub-contract value.

Q: When you sub-contracting do you have a specific supply chain that you pick your people from or... you just.

A: It's not done on a ad-hoc no. We have run for probably 30 years again or longer, what we call select of contractors. Those are sub-contractors that we

know have worked with us for a long period of time and we know the strength of. We don't run a supply chain. Mainly because this is a very competitive business and I have issues with supply chain on the basis of competitiveness.

Q: So once you win a job are you calling your sub-contractors or at the tendering stage you get your sub-contractors involved?

A: 21.45 We don't tend to re-tender work so if... and we are talking about the main bulky items and we are not talking about small items... We are talking about say mechanical, electrical and those types of sub-contractors. We would go out to tender, we would tender probably to 2, 3 or maybe 4 sub-contractors. We have already asked them whether they would prepare to tender and we work on the basis that, they give us their best price first time round. If they give us their best price first time around, when we've won the job, we would be talking to them to say we've won the job, we've evaluated ...you're the most competitive. We need to talk to you about this.

Q: So that is actually the used procedures you carry out

A: That's, not to say that it is 100% prescriptive, and it happens every time but that is probably 80%- 90% of the time that's what happens.

Q: And when you have selectively got sub-contractors, if one is very busy you can ...

A: Yes there are a lot of factors to consider.

Q: I can see you are still using JCT.

A: Yes lot of our work is on design and build.

Q: So the design division is completely under you.

A: Yes, my responsibility is the design and build side of the company

Q: Is there any particular reason that you prefer design and build over other type of contracts?

A: We used to run a system again being cautious, umm... 10, 15 years ago where we tried to keep the mix of 50:50 of design and build as opposed to traditional bill of quantities or Plans and specification. So as time is evolved the market place has changed and the majority of work is now on design and build basis.

Q: That means client prefer design and build?

A: Clients prefer design and build, certainly the client that we work with.

Q: If you can name some of the clients

A: Well we talk about, say developer clientthose type of people

Q: You work for [company E] as well.

A: Yes ...on their development. Not the construction company

Q: So your prices are better than [company E] construction

A: Well it depends on the type of work

Q: In house capabilities....

A: yes.

Q: My next question is actually how you distinguish between project delivery and business improvement in your company? Now we have discussed both...

A: 25.21 Yes, to be frank in a construction company the two are very very closely linked. I don't know how you really distinguish between the two because at the end of the day we're not making widgets, you know a piece of engineering we're making you know it's a building. So each construction site in actual fact is a business on its own putting it as widely as you can. So the project delivery is all important because without the project delivery you don't have any, well, there is no improvement in actually you're going down hill. So if you can enhance the project delivery you're actually developing your business. It depends how you look at business improvement, if you're talking about business development from the point of view, how we going to move the business forward, well that's to do with the strategy, isn't it. But if you are talking about project delivery, you are talking about the on-site. ... I am not at all sure where you're pointing the question to be honest.

Q: Now I can see there is a big difference between the two words improvement and development with your discussion. Now actually my aim is to find out how we can translate the business idea to the project.

A: Right, the business models to the project...

Q: So that translation process, that is what I am inquiring into like. Not the project operations, not the day today management. I want to see how companies link their overall business plan with the project goals in other words. Now it is actually one of the important tasks in management.

A: Yes, I am struggling to get the thrust where you're coming from. There are million of things there, which I can say, but I'm struggling to get a way...

Q: Yes, let me explain with a small, now we have a big basket where you find the business plans, business ideas and everything and then bellow that you find all your projects now which project can you differ into certain aspects. The way you have cost or tendered it or the plans requirement. It may not exactly fit into you business plan. So in that instance how are you trying to translate your business ideas to such a project and get it aligned in your company. If it tries to go here and there, then cash flow problems, there will be lots of management problems. Because, peoples' ideas are different at one level compared to another level.

A: Yes I mean I think I know where you coming from that. We don't have that type of problem.

Q: Yes because you described you have a marketing division. So they are the people who instruct whether to go for it or not.

A: No, The overall strategy ...tender..... developed by the MD on the construction site and myself. Specially if it's a design and build project.

Q: So in that event how you translate your idea right up to the project level

A: Well the end of the day you got to win the job. So we look at it on, I look at it on the basis of how to win the job. That then is translated through to the project coordinator. We'll talk about design and build projects later. Translate to the design and build coordinator and we analyze it and go through it very thoroughly and we have a good success rate. You can't actually pass any more of the strategy down the line. Because you are to win the job, you don't.

Q: Now we say you have won the job and you are into it but due to these uncertainty issues, there are some problems. So in that event how are you going to bring back your project?

A: 31.26 How we're going to manage it, so well, as I said it is monitored every month, every week rather from the point of time and every month with regard to cost. If we got through a month period and we realized that there was a problem, then there would be a task force, board member task force put together to look at that job and say, ok is it time, quality, or is there another issue. The task force would generally comprise of myself the QS director and also commercial director and also the joint managing director. So the three of us look at it independently and say ok, what do we think is the problem, and then once we identified what the problem was we then put together a strategy of working through this. Yes, and one of the philosophies that we have within this business is you identify it early, if you can identify it early and action early then you minimize any cost. So, we're down to a kind of risk reduction and trying to reduce any impact.

Q: So that means the weekly reports are all coming on to these directors. They have to do analysis based upon each and every week.

A: Yes, I mean based of course of fact that we are fairly close to what's going on. Now the type of company that we run is one where the directors actually are fairly hands-on.

Q: That means they have a daily job

A: 33.30 Yes, and they are close to the projects, which is different to say and going back to one of the very first statements that are made, which we've chosen the strategy was to keep the value of the company around where it is. Because of the very fact of what we were just talking about. Because if we move the company forward we need another level of management which means up there is another link in the reporting chain. Which means that we would be further away from what's actually happening.

Q: So that you are getting all the first hand information without any delay

A: Yes, that's it absolutely.

Q: So it helps to make the company strategy, business strategy.

A: Yes. So it just cut the link between what's happening on the coal face as it were or the construction face to top management.

Q: So there is no delay in information transfer here.

A: No

Q: Yes that point is quite important when it comes to this transfer from management idea along the hierarchy. If there is any discontinuity or if there is any delay in that process, management process that is when the project performance will be...

A: Yes that's obvious.

Q: Right let's go further on. This is actually I'm trying to get different views what these companies are holding and trying to produce something like ideal contractors business performance, something like that. So that's what I am trying to synthesize what you are saying whether I have understood the thing. So business improvement, most probably now your company must be having a formal director board meetings where you take the minutes and ...

A: Absolutely that happens once a month.

Q: So if you can give one example where you have discussed about a specific issue under business.

A: OK. I think I know where you're coming from. Well I can give a couple of examples. Within construction on site one of the major problems that we had is getting electrical, gas, water, main services connected and that's caused us immense amount of troubles. So we looked at how we could improve that scenario and we started, came from the point where each individual project, the contracts manager and the quantity surveyor got quotations from the utility companies eventually and then placed the order and monitored that through to getting the connection on site. But it was done by individual people for an individual for a specific project. So we looked at how we could improve that and we came up with the idea of we ought to have that centralized. So that there was one person talking to the utility companies. Because we realized that in actual fact, most of our utilities came from probably 4 sources or may be 5 sources. So if the person could actually be on a regular contact we would more likely to improve the supply of the service. So we actually put in place a utilities person, a lady and she has now improved that service to a point where she knows all of the people – 1. we can get quotations very quickly and 2. we get the service on site quickly.

Q: That means you have introduced the relationships...

A: Yes, absolutely. But we took it as basically problem, how could we solve it. And although it was difficult to justify paying a salary for a person to specifically do that. We looked at how much cost actually accrued over a 12 months period, fell over, because we were really shocked and then realized that we can probably justify that.

Q: So the lady who has the, who is doing that particular job, Is she purely doing that or is she having some other.

A: Well the idea when we started was that she will do that and other duties but actual fact is grown to a point where she is full time.

Q: That means you have many sites, many work sites where you have to...

A: Yes. But the problem that we were facing was that we couldn't get the electricity, gas or water on earlier to test and commission the buildings before we handed them over, which...cost lot of money in generate the cost and other and salary costs, and in some cases not able to hand the building over because we haven't connected the services

Q: So you have to be...So in that way to keep the particular person only to do that job is worthwhile?

A: Yes

Q: Now my next question is how often your business development is discussed at board meetings, every meeting or...

A: It's on every meeting.

Q: If you kindly give me percentage of time you spend on that.

A: OK, well if we talk about business improvement, the whole board meetings is where business improvement because at the end of the day we are looking at how can we best develop the company to get the most improvement in margin. So we, how can we extract margin out of company. But if you being more specific as how long do we take talking about... how we're going to move the company strategy wise, its probably about 10 to 15 % of the time.

Q: Do you have any other subsidiary meetings? Now when you have monthly board meetings, you have many items to discuss not only the business items. So if you have any subsidiary meetings who are the people involved in?

A: 41.12 Right, well the board of directors are twice a year have a specific meeting for business development or business strategy it's probably better. So we have every 6 months we have a specific meeting, a half a day, where we sit down and say ok, where are we going, what we're doing.

Q: So that includes individual performance covering that particular

A: Not actually talking about performance. That's handled at the board meeting. So what we talking about is how we going to take the company forward.

Q: Now what you mention there is business is an important item for your company and you spend lot of time discussing about it. So my next question is do you feel that it has to discuss more than what you are doing now.

A: No because we take it seriously.

Q: So you don't think that it needs more time and more people involved.

A: No. The reason is specific difference here. When the company is owned by board of directors you're sitting where the board room, talking about your money. It is a different matter when you sitting where the board is talking about the business, which is part of the group

Q: So right now where are you standing...

A: Yes right now where am I, I'm a director of a company within a large ...organization.

Q: Is that the standard practice in UK that you have Mother Company and then you have these subsidiary companies. Each subsidiary company is headed by a board of directors

A: Well, yes it's not a common. Basically the model is that you have an overall director or steering group at the top and then you have separate business units and those business units can either be separate companies or just business units

Q: But the basic business ideas is translating Isn't it.

A: Yes

Q: Do you have any independency autonomous body?

A: Oh yes

Q: What do you call that?

A: **44.24 Yes, we are charged from the top to develop the business. Clearly there are boundaries. Ha ha....**

Q: Now at this time it must be not clear as such.

A: When the business was owned by ourselves the boundaries were the boundaries that we set ourselves, and the boundaries now are set for us, the way that the company is moving forward is to do what we have always done but to do more of it.

Q: And you see that there is big opportunity moving in that direction. So how long you expect this process to finalize.

A: Well the transition took place back in July. It will take us probably until next march to really see where we going andcontinuous process and then according to market conditions really.

Q: I don't think that there will be aconstruction. It will ...according to latest ...So if you don't mind , if I pay a visit after March again to get your point of view , the transition and where you are at the moment. Just for a longitudinal study. Thank you very much. Now my next set of questions

A: **46.08 I would say with regard to strategy, there's clearly one of the things that what we do look at and that is government thrust. And the government thrust at the moment which is probably become more evident since July is in home or house building or whatever you got to call it. And we are certainly looking at that avenue. So our market share of that we would probably try and increase. But, probably no more than 30 %.**

Q: Because you still want to maintain your principle business idea and you have enjoyed certain benefits. That is how I'm going to put at it in my report. So you don't want to divert away from that principle

A: No

Q: Now the next set of questions. You mentioned that your company has a policy of maintaining, reporting, quality assurance. Do you use this [EFQM] particular model?

A: No we don't. I'm aware that it is in a global scale....

Q: It is actually, why I have derived into my research is this. I'm only considering the enablers and I find the areas what they have described is exactly fitting in with our construction work either project level or business level. So I thought it is worth while for me to get some idea from people like you. Who are managingand director level into this particular model.

A: OK. Well I do my best...

Q: Yes please, now it is quite a flexible model and you can derive, or define all these things, the way best suits to your, your company. There are no specific definitions for any of these enablers. So the first question, since you have heard about that, now if we look at all these 5 enablers which area you think that you need to improve in your company. Now here you can think about your transfer, and where you will be after few months.

A: I'll take you back to where we were to be honest.

Q: OK. It's alright

A: Because it's probably easier to discuss. Clearly all of those areas need to be looked at. And we do continuously look at them. But holding on one, the areas that we have looked at, were looking at were people. Because at the end of the day, it's probably 90% of people and 10% of the other four. Because the other four dependant upon the people.

Q: That means you are prioritizing people in that set of enablers. Could you kindly give me an example on that?

A: Let me put just a bit of flesh on the bone there

Q: OK it's alright.

A: **49.54 Because, as I say 80 % of our work is through sub-contractors. So 20 % is what we add to that. So 80% of the cost is sub-contract. So that's a quotation that comes in. We know the cost. So we're only talking about the 20 % to hold it all together. The 20% that hold it together is the people. So if you haven't got the people trained and motivated, then you're not going to hold the other 80% together. So that's our thrust. Yes, the process needs to be developed and leadership well that's the people anyway. So everything is really down to people. And construction more than probably any other industry is built around people. If people don't get on, on site, if the**

construction manager on site doesn't get on with labourers then if there's friction, then you are not going to achieve. But if people are motivated into driving the projects and at the end of the day if you are not delivering the projects then you are not making money. And it doesn't matter how many directors you've got, or how big the accounts department's monitoring is. Then it will not succeed. So we, very much focus on people and we've striven very hard to form a company where we have a family ethos. So that everybody knows each other. There is hierarchy but it is not waved as a big stick and the hierarchy is there to support not to wave the big stick. So there is a driver with what I've just said.

Q: So that means again I can put that into relationships within people in your company

A: Yes it is very important.

Q: Now if I take you to policing strategy, since this is an established company, you must be having set policies and strategies

A: Yes

Q: So do you think that it has an involvement in people somehow

A: Yes, I mean the interaction between, I mean if you got a certain policy, reporting policy we say and that policy is being developed. Then it's combined upon the leadership to encourage the policy. Now I use the word... Because there is lot if difference between the courage in the use of the policy opposed to addicted Q: Then that relationship won't be there like that...

A: If somebody I mean the human nature, if somebody thinks that you are enforcing policy on them, the chances are then, they will rebel against us. If the policies putting that in position to on the basis of helping the individual and for it's to be supportive, then you find it's used. So we have encouraged with policy for people to report back. Because people know that if they report back quickly and effectively they are saved. Because the problem shared is a problem halved.

Q: What can you say about partnership and resources? Now recourses again we can put back to people, construction. So we were describing it, now partnerships, do you find it is a good thing in construction or...

A: 55.10 When you talk about partnerships, you know the general thrust is a kind of framework agreements with clients and negotiate a contract's most type of issues are partnering. Yes, The overall idea and concept of partnering is great and very ideological, the reality on the shop floor or on the coal face, is that it doesn't actually work in the way that people originally intended it to work.

Q: Yes, now if I disturb you little within your company you have a great relationship between all different levels of people. Now if you are going for this partnering arrangement you are entering into certain type of relationship with

unknown new set of people. So is that a conflict that a place that conflicts to arise .Like that we have a piece of paper both parties are agreed on certain terms but doesn't work like that in reality, There will be some form of tensions, some form of conflict so on.

A: 56.44 Yes, if I can just turn that on its head slightly we have found with clients and it doesn't matter whether it's a traditional contracts. When I say traditional, I'm taking the D and B view because most of our turn over is now on D and B. With a D and B client, we take the view at the very first meeting, we sit down and we say look we are all part of the team and we are sitting around it may be a square table, we are sitting around a round table where nobody is taking sides and if there is a problem we will sit down and we will discuss it. Because over my experience the most successful projects both for the client and for us, that's not necessarily talking about financial. Because financial actually is a spin-off of working collaboratively. Now when I say collaboratively that's not in a fixed regimented contract. That's saying that we all work together for the benefit of the project. Cost benefits are a spin-off of that, but the main spin-off is quality and time.

Q: What about client satisfaction?

A: Well, if you can give a project, good quality on time, then the clients satisfaction is there as a prerequisite.

Q: So in your case you don't identify clients' satisfaction at the preliminary level. You try to base your project on cost quality and time and you expect client satisfaction to be derived from them, because some not some actually latest trend nowadays is to go for clients' satisfaction. But we always forget the preliminaries.

A: The trouble with that is everybody's paying lip service to it as being you know client satisfaction is every thing and it is because that's the way you get the next job from. But you don't get clients satisfaction by the projects umm... by the quality being substandard by overrunning or by issues where the client is upset. If you can sort out the quality, time and cost issues then the client is going to be satisfied. We do actually send a questionnaire to all of our clients and ask how we can improve

Q: That's after the job.

A: That's after the job finished.

Q: Now you said you have a set quality assurance team in placed. Is it something like KPI specially...

A: It's ISO9000 which is standard, the industry standard. The world wide standard.

Q: Actually this also derived...

A: Yes, KPIs. We've subscribed to KPIs but I mean specific areas and yes we do monitor things like satisfaction, delivery on time like...

Q: So my next question is, now you mentioned that people are the most important thing among all the enablers and if you can give me an example how you go about it, when you prioritizing people?

A: Well, how do we go about that is... the door is always open, so, communication. If somebody got something to say, we don't hold back... then we can least sit down and talk about it, things that are held back ...are not good for the company. So I suppose when we talk about that is staff feed back and we have and do maintain, infrequently I might add, but we do and send out the company questionnaires and to the staff to ask them to identify things.

Q: Even the cleaners, yes some time they can give you very important things

A: 1.02.10 Absolutely, the other thing is we recognize results. And we have a meeting with all of the company, all of the staff members. That's not the guys who are carpenters and the practitioners on the site but all of the office and also the site managers. We get them all together at least twice a year and have a big meeting and if there is something to recognize then we recognize it

Q: My next question is now how do you see any opportunities to develop your company through people again

A: Opportunities, Well people are continual opportunity. I suppose the biggest opportunity is through training. And we're looking at that at the moment. And we were looking at it even more so now because being a bigger organization with the training facilities that we got we will be looking to maximize those people that we identify as wanting to learn.

Q: Do you have any partnering arrangements with the universities...correct type of people

A: We don't have a specific partner; you know the door is always open...

Q: Those who are interested in specific type of...

A: We actually encourage people to come and...

Q: And we guess nowadays the engineering field is having lots of problems everywhere in the world I believe. These youngsters they don't like to get into that field they prefer easy subjects...

A: Well unfortunately the construction is not being the highest in quality of environment I think. But quite a lot of youngsters have realized that construction is grate fun and I myself enjoy my time.

Q: Yes but that all have changed quite a lot. Now a days children they don't do hard stuff like physics, math and those things, they want easy subjects. So we can go to the next question. Now, who will be responsible for developing your people?

A: Who is specifically responsible, well the person on the board who is specifically responsible is the managing director who is responsible for the human resources. But the strategy is developed by all of us. So we don't put anything in place on the basis of somebody having a good idea. We put it in

place on the basis of somebody having a good idea and then for a sort of analyze that and say ok, what are the benefits where are the pitfalls and can we see a way forward and generally through talking it through around the table we come up with a strategy to move the thing forward.

Q: Next is now once you have established a certain process what sort of a mechanism you will engaged to monitor and improve that system created to people.
A: We basically have an objective sheet. So we set an objective and we monitor that. So we say... just trying to think of a suitable instance. Umm...OK, we'll say training; we'll say we want to improve training. How we're going to do it. So we set the objective. How we're going to do it, well we monitor through the review process. So we review all the people. We'll set a target of taking out certain people to do certain training modules and then we will review how that goes on and at the end of the day after 12 months, we probably sit around and say, OK how is that actually improve the business...

Q: So that means all these activities you're trying to see in line of your business profile, everything...

A: Yes.

Q: Next one is, what are your expected achievements in such a system what you have just described it all to me, actually you have answered the question. I wanted to see the link between the business performance of the company the way you wanted to upgrade people as a resources.

A: Well I mean the biggest improvement that we have seen with what we have done to date is that you see somebody shy, you see somebody who might be slightly timid but might be suddenly showing...potential and asThat's really not the word, as somebody who is encouraging those to move forward it's really great. You see them improve and you know, they are improving the business because they're getting better

Q: So you see the individual achievement as part of your business performance

A: Yes

Q: First time I see that a company giving lot of...

A: Unfortunately, I mean at the end of the day if you analyze our cost, our overhead cost, what's the majority in overhead cost, people salaries is our major cost. So if you don't focus on your major cost and get added value out of that you know

Q: You are loosing

A: 1.09.40 Yes, there is no point in looking at something which is costing you £ 10,000 a year and trying to get an improvement out of it, when you got a resources which is costing you £ 2 to 3 million a year, you know 10% improvement is a lot of money.

Q: The general principle of construction... that they don't gain from people, they try to manage everything like dictate ...

A: Well there is a, I mean there is a school of thoughts and that only works for a certain amount of time. We came from the old school where management was like that and we, it took us 10 years to change...

Q: And you have seen a clear benefit from it

A: Yes, because our performance has improved. I got to say there is a down side also...

Q: Yes the other thing I wanted to ask... the human nature is quite uncertain, complicated. You are trying to maximize, capitalize on the best part of it. So if people are trying to show their weaknesses what sort of a solution you bring in.

A: The weaknesses, well weaknesses become very evident and any way you can get it over that by support and putting somebody along side and say mentoring... The one down side with having this type of management staff which is really open is the people can't take That's the biggest problem .

Q: Have you experienced such things

A: I haven't been able to...

Q: But you have some sort of rectifying mechanism, strategy, business strategy

A: Yes we have a process...

Q: My last question. Now what are your comments about this type of a framework? I know you are not using it, but you know about it...

A: Yes, well its...

Q: Actually I'm not promoting... I'm not against the model this is actually what I have ...

A: Yes, I think one of the things... this is very much on the model of an engineering type of a process. A good structure is little more complicated than that. So although I subscribe to the idea of identifying a set of objective, monitor and then feed it back into the system, I subscribe to that, this is more going to little bit further than that and its difficult to... I think to break it down as easily as this. We are not in a business where say we are making sweets.

Q: Or making ... something like that after each process there is another follow on ...

A: Yes the packaging of our company is not going to make somebody actually ... something from us. It might encourage them to send us a tender. But at the end of the day... to win...

Q: Is it the practice still, this lowest tender...

A: people would like to think that partnering ... that type of practice but at the end of the day ... partnering ... it's too comes down the fact that people want to demonstrate the ... value ...

Q: One way for achieving value for money is

A: Not necessarily rock bottom the tender but, certainly the tendering process.

Q: If it can be reflected ... value for money

A: Yes, because money, value for money, its not just the lowest cost.

Q: There are more things to it...

A: But the way things evaluated at the moment is parting for all the words at the does not necessarily deliver the project earlier or even on time or to budget. It has its own problems

Q: Thank you very much time. If you have any board meeting minutes where you can remove all the sensitive information. Will I be able... This is not going to anywhere this is just for my...

A: That would be extremely difficult.

Q: You said you are discussing about the business performance 80% then it's alright.

A: The reason might be difficult is because it's very sensitive and then I wouldn't be able to do it

Q: Its alright, thank you very much.

Stage 1 – Interviewee G1, Company G, 2007

Q: Good afternoon Mr. [X]. Today I'm here to get your view on [company G] on how they do their business and how do they run their projects. As far as the information I have gathered, the [company G], the turnover is somewhere around 117 million

A: 125 putting this year, yes.

Q: So I don't know whether according to your view, it is coming under a medium size construction company or not

A: 125 million, I mean that's the turnover 450 employees. Just the top end of the medium. I don't know how you classify it. But that's what we got.

Q: Now that is also actually I'm investigating in to it and there are lots of construction companies which are regional basis. They don't go for ...

A: 1.02 [Company G] actually work in, they classify just 4 and that is the first part in your discussion is the company structure .The company structure is through 4 regional operations and West Midlands, East Midlands, North West and what they called the North East. Well that's actually Yorkshire rather than the North East. And each of those is run by a regional director and effectively they are sort of businesses in their own right albeit they are supported in number of things like, billing, HR, all those company functions and the central functions based on Aldridge in the West Midlands which provides that resource to each those 4 regions.

Q: So that means are they working partly independent upon their project strategy and things at the business strategy coming to them from the Aldridge office

A: 2.00 Well the business strategy, I'll get to the business strategy in a momentbut the business strategy is actually is both, bottom-up and top-down and often led by marketing opportunities within the regions in which they work. But then the overall thrust to the business, takes account of that and lays down a structure and for example one of the market opportunities at the moment which is in Wales. And therefore that would be a separate stand alone region. Now that's not necessarily one of the regions task with going to Wales, with that sort of business decision is for business as a whole. And resources may be drawn out of different part of business to actually set up Wales operations. It's actually worth in this interview to describe the sort of work that we do. Most of [company G]'s work is in decent homes which is the refurbishment of public sector housing stock what used to be called council housing or housing run by the housing association.

Q: So you are the director for housing...

A: No, I'm the chairman for [company G], I mean non-executive chairman for [company G].

Q: So what do you mean by non executive chairman

A: Non Executive , you don't know the meaning of the term non executive

Q: No

A: Non executive means. One is not fully, I'm also non-executive chairman for [company D] and based on the companies work, so I spend part of my time on each of those businesses. I mean with the particular role , ...chairing the board and there are certain roles that is being assigning board to the managing director and that's what non executive chairman tends to do.

Q: OK. Thank you very much for clarifying that part.

A: Work is in the decent homes which is on affordable housing sectorand particularly in refurbishment. They do... do put reasonable amount of new builders' affordable housing in theThat is more in the core business going back. So theregion is more a mixture, new build and refurbishment the other regions are mainly refurbishment. Not exclusively the ...

Q: OK and I read in the net that 95% of that turnover is generated through partnering arrangements.

A: Yes.

Q: So I want to get your personal idea about this partnering arrangements in construction. Is it a sustainable thing for all different types of companies or certain level of companies it is good?

A: 4.50 I mean its worth to just look at the structure the market is at the way that the decent homes programs are generally led. I mean fare commonality

across the country is that the local authority, that the various clients, we need to say something ...They might be local authority housing, at the moment Birmingham still owns its social housing stock. Wolverhampton is outsourcing into a sort of a what we call that ...an arms lengthassociation. Other authorities are actually put them into a large scale voluntary transfers into another body that runs into housing stock. But the end the result is whatever the body is generally equates to a public sector body which is responsible for refurbishing its housing. And the way it tends to do that to be set up frame work of suppliers or contractors to do that. And the numbers on the frame work will vary, rarely more than 4 sometimes only 2. But though be quite a long and rigorous process, the authority will go through starting with the OJEU -The European Client to which many companies will apply and we'll go through a selection process and they'll end up with let's say 4 companies because that's fairly typical. And with into which they enter into longer term agreement under their framework and that agreement will be between, well it depends, generally minimum of 3 and maximum of 5 or 6 years long. And that is very much run on Open book basis. That's where the partnering aspect comes in. It's not a matter of us bidding chunks of work competitively tendered behind close book. It's very much about opening cost base up to those clients, working with them to make sure that's effective, on an agreed profit and overhead structure and that is the way that market works. So when we talk about partnering, it's driven by the client procurement which is a procurement of a framework of contractors to work on open book basis.

Q: Now in securing work in that way is it more profitable to [company G] or is it more profitable for them to go for open bidding or negotiated tendering. There is a different need...

A: 7.09Generally speaking continuity and repeat business is generally good for a construction company. Because it gives the opportunity to go up the continuous improvement learning curve. So the answer will probably be as a result of repetition and learning and efficiency, one can drive the cost down effectively the efficiency up. Bear in mind we are on an agreed profit margin generally. There are some sort of safeguards both ways. I mean sort of that the more efficient we become on decent homes the clients get the benefit of that not us.

Q: That means profit margin is related to something or...

A: Well, profit margin is an agreed figure

Q: So more you become efficient, aren't you going to return more profits within your company

A: No that goes back to the client generally.

Q: Yes now it is based upon the cost

A: If we procure I mean we are dealing with,....thousands of kitchens and bathrooms and,...if we procure those more effectively, generally the benefit of that effect the procurement will flow back to the client, because we are on open book arrangement. I mean there are some,...paintwe call them paint game setting arrangements in there. But as generality efficiency isn't leading to profit.

Q: Now when it comes to that partnering arrangement, so you prefer long term contracts or you want to secure short term contracts

A: 8.50 No we will prefer longer term contracts because that give us stability and some based loading to the business.

Q: So isn't it going to be a fact, isn't there going to be another consequent effect in your management process. If the contract is going to be too long...

A: Well, too long ...to long means?

Q: When we say more than a year...

A: 9.30 No that's not too long. If it's 10 years long, that might make a difference . The company management processes are totally geared to the sort of work we're doing. There are very different management processes to that, if we are doing pure competitive tender. Because it's the business is set up entirely customer driven, market driven and therefore all the processes basically flow from there.

Q: So let's go back to my standard questionnaire, this actually to get some understanding about the company. So shall we start from section A question 1. The company structure at [company G]

A: I'm the non-executive chairman. The managing director is [Mr. G], and then the board which effectively reflect the management. The management structure then is 4 regional directors.....So people delivering those bits of the business, parts of the business, together with the commercial director and a finance director. Those are the people who sit on the board. There are then functional heads in the departments who also are reporting to MD and then, those are estimating human resources purchasing, buying ...I think I report to the finance director ... Well that's the basic structure and marketing and business development is the other very important

Q: It is also a centralized business...

A: It is as far as dedicated resource goes. I mean the regional directors and the senior teams spend a lot of their time on business development. But its far a actually centralized resource goes, then its, full time resource goes to the business development is centralized.

Q: So on which type of a strategy your company is operating on?

A: Which type of strategy, its worth to say that the, [company G]Just over 2 years ago from a large PLC construction company called Mont Pellier, pretty mentioned in the website Mont Pellier. They are now actually... That was their parent. And the company did a managing buy out financed by Bank of Scotland

integrated finance in September 2005. And that's the point actually I joined them. Because the part of the deal was they were looking for an independent effectively non-executive chairman. It's worth while to point that it's rare to have managing buyers and construction. The reason being that there is a profit flow, the revenue flows can be seen in quite short term and therefore the reason that [company G] were able to execute a successful MBO was the attraction to the banks of the revenue flows from the longer term contracts and that's why the thing is totally set up on these frame work contracts. Or you wouldn't doing out ... MBO...

Q: MBO means?

A: Management Buy Out. So the management owns the majority the business

Q: So it is something different isn't it... to the structure of [company D].

A: Well, [company D] has one owner, one person is the sole share holder in [company D] and he is the chairman of the [group D]. If you draw a parallel on the other hand, when you draw down to the bigger companies...

Q: Actually I'm supposed to go to [Mr. H1] tomorrow.

A: Now, [group H], they have private equity money. They got mixture of management ownership and private equity. If you are looking at the bigger players like Carillion and whatever they are public equity companies registered on stock exchange and there are thousands of shareholders. Obviously we are all private limited companies with a variety of ownerships. [Company D] one owner and [company G] management owner. So that's 6 in fact the people on the board. They are the shareholders plus the bank. The bank has 20% shareholding. And that's a very important dimension and that's the fact that driven the business really, and therefore the objective of the strategy is one of the outputs needs to be generally sufficient finance to pay back the finance from the management buyer, and therefore that draws the strategy.

Q: So you have to have certain amount of turnover and it has to, not like in a small scale company where you can have just 1% or 2% for the following year like that...

A: Yes. In some ways the turnover or profit is only asjustgeneration. The most important aspect from a managing buy out to generate sufficient cash to both pay the capital back. I mean [company G] borrowed 40 odd million as part of buying the company. So it needs to re-pay back to Bank. So if the company isn't generating cash, that's a serious problem. Therefore the strategy is very much geared around profitable cash flow.

Q: Now this cash flow I've read some where again in internet. You have a measure; you have a KPI for cash flow at the business level, not at the project level. Could you kindly describe that' to me? Because usually I'm familiar with the project cash flow and when it goes to business cash flow...

A: The two are very similar to each other. I mean the business cash flow is only an effectively... of all the cash flow. The business itself doesn't need lot of capital

investment. So if we are using source application, source application controlling, I mean we generating cash flow if we using effectively also to pay our suppliers....pay ourit is simple as that really we are not paying for great capital assets. We don't investing in factories or construction plants or company development and therefore say the project cash flow and the company cash flow. We monitor that on the basis ofParticularly thewhich we pay our purchase and the speed which we collect accounts.....from our debtors.

Q: So that means you have 1 central unit at the business level at higher level than the project level again to monitor that cash flow. It is operating at 2 different levels

A: Well I mean yes, we got a series of projects, we actually grouped them into 4 regions. So as far as adding intoyou have 10 projects into a region ...each of and the 4 regions... but at the endadding 40 contractsup into the business.

Q: So is it done centrally or is it done at the project level or the regional level and then the, all these finance things., since you have a finance director....

A: Yes, the invoicing is done from the projects, project level invoicing, and the finance director and his team will monitoring flows and if a project needs or an invoice needs a change that would generally be done by the project regional team. If it really became difficultevery month piece of work done and it be changed centrally.

Q: So when that information depending upon the transfer of information aren't you loose in somewhere that you are not getting the information on time or something like that

A: 18.47 I mean we have a what we called OMNI – VIEW which is one of the innovations in [company G] which is an integrated sort of business system and it particularly serves the open book requirements. So our clients can go on line to our accounting system and to see what's happening. There are certain parts actually which are password protected, salaries and things like that. Generally speaking, so at all levels OMNI -VIEW drives in our business system.

Q: OMNI?

A: OMNI -VIEW, anyway, that's quite important aspect of the business.

Q: OK, that means there is some IT system at [company G] as soon as you...

A: Oh yes, it's very sophisticated of all the businesses that I'm working, the [company G] IT system is the most advanced.

Q: As soon as you enter something, people at the business level they can pick it up and follow it up...

A: Absolutely right. Actually I mean there is a wealth of information to manage all the levels integrate to the life time performances. So I mean, we are doing thousands of housing refurbishments and therefore all of thosedone in streets.... We are filling each day, where they are. So that the regional manager can see where we are and management point in time which properties are open are

...working on them and which properties are coming online and which properties are finished and handed over.

Q: So the next question is, now is it the same strategy you are going to work in the future as well...

A: Largely it is. Well, our strategy in the short-term, that's again driven by the market. The strategy is very market driven and the way that works is, we got ...contracts there are some new contracts to be laid. That's on decent homes... But generally the decent homes program is forecast and coming to an end inany way by 2015. So lot of ..about making sure that we are winning the new worktake We are also looking at positioning the business beyond that. There are opportunities in housing, housing management which is come on stream after decent home. But all of that is largely driven by the way that marketing structure and we pay actually specially market research consultancy.

Q: You don't have an in house position....

A: Well no, it isn't and to make sure we got all the hardwhat every housing association and every local authority doing , every where in the country . We buy a market research particular specialist consultancy which tells us that. So we can draw down and we know, we can sort by local area. Say OK. What's happening in Birmingham....We want to know what house is going to built in this field in thissectorand that's 5 years and we can sort what our system and it gives you lists of all the housing associations and we got proposals from the housing corporations to actually build them. . So our marketing, our business development team can go and make sure where those houses. So that's the big the market research driver, what the business development manager then do, is to abstract that priorities. Because it is huge worth of data and we can't cover all of that. So what he then does is to develop a marketing plan annually with the MD and the regional directors which then prioritize their clients. They are the marketing plans and for each region,regional director knows that his proprieties are to target x, y, z, high priority and then the other 3 or 4 second priorityand the ...director knows his business development and the system then those monitor the regional directors are actually making the contracts and that we are following things through whatever. Well that's altogether in a marketing source the board which actually shows forward prospect for the next 40 years and halfby quarter. So we know for example the Manchesterhousing association are letting a decent program in June and sooner we will startand we want to make sure....

Q: So there is a quite a lot of forward planning going on

A: 23.53 Yes, particularly driven, initially by the overall market research information. I mean it would cost us a huge amount for that information when it turn to resource cost to collect that information. And many of them actual leading affordable housing contractors buy the same research. Because it's not

to a confidential in the sense thatSomebody puts the hard work ...we find it out. So effectively we all pay the same organizations to find out and tell us all.

Q: Rather than employing somebody to do... Now in that sense, now your company concentrating basically on affordable housing. Don't you think that if something goes wrong in that market, you are going to be threatened?

A: 24.39 Yes there's always the sort of down side isn't it? I mean the more focused you are the better you can be at it, but the danger is you end up the creek without a paddle if market collapses and therefore lot of that we do is to make sure that market isn't going collapse. I mean [company G] positioned itself in that market because it has got long term prospects. What we're obviously doing is we always looking at important announcements. So I mean in the housing group paper is a very important. I suppose and we knew what our government was thinking was on housing, the comprehensive spending review and where each of the government departments including the, what used to be DCLG [Department of...] whatever it is called now, again put this into overall structure for housing expenditure in next 3 years. Now those are key documents for us. Because those are the indicators to us of what the market's doing. Now as it happen they both actually confirm what we thought anyway so that was fine. But there is a decision process, if the comprehensive review says some thing very different then we'd obviously have a decision master is and say, OK does this change our forward plan and that's it.

Q: And world economic and make a key fact there, isn't it?

A: World economic situation makes a less over difference so and has less reflect on affordable housing. They just on market housing, and we are not building or selling houses to private client. If we were then we all have to, different indicators. Basically...employment and all that things actually when I running a market house for business. Those are the indicators the company wants

Q: Now do you have any other backup to this decent homes strategy. Now due to some reason if you have to stop. We say due to profit or something like that. Now all these clean issues are there and lots of environmental issues

A: I mean that's all adding to the decent homes and that's actually reinforcing the market. In some market you will be seeing as inhibitors. In this market I mean the government driving hard for, I mean this occurs same....you may have heard about that the government has said about all the new housing would be 0 carbon by 2016 and that's a driving force and which is good.

Q: So you work on that

A: 27.17 The fall back is that we're a construction company. We are about actually, with our processes and our systems actually, people build things. We could divert the business into health or education or perhaps private

development or whatever and we've got the skills to do that. We've chosen not to and we regularly look at whether we should diversify ...we've chosen not to at the moment, because we believe on an opportunity costing basis that is better to actually stay in decent homes. Those are the fall back positions. I mean [company G] were a general contractor building most things. [Company G] could be a general contractor again. But certainly doesn't see it actually as the most profitable market to operate in.

Q: So now what you think is, you think about the market out there for decent home and your skills inside your company. So you are trying to match them together capitalize on

A: Well, actually ...I meanbecause it sort of customer focused and the thought process is what the customer wants, what processes they want. How we're going to deliver those. And what are the skills require, governs our skills, changing requirements and implementation plan. I mean that's the thought process. Now because we have been doing decent homes for sometimes that is a massive boundary finding....an evolution draw. When we wanted decent homes then it was a whole lot of new skills required and particular our customer On people, turn the eyes on .Its not opposed to tend to exist any other parts of construction industry. Huge important part of the [company G] staff is people who lay on day to day basis with the tenants.

Q: Are they, those people who are dealing with customers... are they coming from the construction industry or with another discipline.

A: 29.15 It's a very good point actually, the answer is both. Generally more from outside the industry.

Q: Not the construction personnel...

A: Generally not, I mean 1 or 2 construction people have to sort of being retrained. Generally speaking they are coming from a customer facing background. Because bear in mind the industry generally works on a business to business basis isn't it? I mean generally in the industry... in a construction company is selling a building to another company or group of people or local authority. And in this market although the ultimate payers are the local authority the customers are arguably are the tenants. Therefore it's a business to consumer offering. In the same way the market housing is private housing and therefore that does require different skills. So we tended to bring those sorts of people generally from call centres, some from customer departments in another business.

Q: Do you have a particular qualification level for such people?

A: Yes, that's NVQ actually in customer... I'm not sure but there is a relevant NVQ that we use. We don't necessarily insist on that. But when we bring

somebody new in and we and they want to develop their qualifications and that would be a natural qualification to use.

Q: Because my question is, usually in construction industry people are not customer oriented, they want to be... they are always project oriented. So...

A: I don't argue that point ... But any way that's not the point here, there are ...

Q: So you have two different types of people working in the same thing

A: 31.00 Well we also have construction team delivering that also doing the work and they are also very customer faced. There is no point somebody going for a cup of tea, and then the plumber comes in works in a mighty mess...and so the customer satisfaction is embedded throughout the business. And we have all of our clients and ourselves have quite sophisticated customer feedback systems. So we know all the time how we're doing in the customer's eyes, and more particularly how we are doing relatively to our competitors. If you got 4 firms on a framework as I explained, then it's a great interest to us all how we are performing against A, B and C.

Q: So how you are getting that information, is it also through the particular research?

A: No. That's very much different. The client generally would share that. So if just an example Wakefield Borough council they got 3 contractors, they generally have a system where they share performance data amongst those contractors. So we know how we and the others are doing.

Q: Is it a good indicator?

A: It is yes. And then if we want to develop quite a range of KPIs for the business. Because again you are doing the same thing

Q: Now you mentioned that how your company's strategy is formed. It is market driven sort of. Completely a market driven strategy and you are not looking into other ventures or other specialties ...

A: No we are looking at all the markets. When it comes toonly focusing into decent homes

Q: So the... people who are involved in that... is regional director involved?

A: Yes, I mean where all other directors and particularly the regional director, the business development manager is very much involved and the department heads, so they would all be involved in the overall strategy, yes. The managing director will coordinate the process and updating the strategy.

Q: Now when they are forming a strategy for a particular region, only that regional director will be involved with his people or is it a parallel thing...

A: No, we do...encouragesort of a peer group. We have a system where which regional director will go to the site and visit them, actually looking the site and back and we do that so in a rolling basis. But generally speaking if it is a particular part of sub-strategywas to achieve a bid new customer. We are going to do

something new and then the North West regional director would lead on that and Birmingham is going to do something new then West Midlands director would lead on that. Because it a very big thing then the MD will get involved as well. That's how it's work.

Q: Let's go to section B. Now how do you identify the need for business improvement in the company, not in regions like...

A: 34.10 I think there are two ways really one is what's coming out of the customer feed back and the second then is efficiency stroke/ cost drivers. I mean those are the two things that would actually or continually prompt ideas of business improvement. So we're all the time looking at feedback we say how ... that's dropping it's not good as our competitors and what can we do about that? So that is the customer thing. And then internally we have internal benchmarking as well. So that is more regional, so we're all the time we are measuring how much cars cost us and how much site cabins cost us and whatever. So if Midlands region is spending more on something than the other 3 then we'll use that feed back or we got to do some business improvement. What's the reason for that? Is there need for some business improvement ... But higher level, I mean that's more regional projects based. Customers are the one hand, customer feed back and then efficiency drivers on the other.

Q: Efficiency drivers, do you have a specific set of KPIs to measure all different...

A: We measure all the cost and we'll, different directors and then ...the finance director is all the time looking at the cost base and standing back and say how can we get cost out there ...He looks at insurance....though we procure insurance differently and as a result of it we actually...

Q: Now procuring insurance differently means changing your insurance agent or...

A: Both I mean we change our insurance broker. We also change the way that we package our insurance is up. We change the bonding arrangements and bonding affects the insurance.

Q: Bonding means?

A: Bonding means performance bonding. At most construction contracts the clients will ask for a guarantee. If the company fails we can actually, and we don't ... we also ...10% performance bonding. So if we've got 10 million contract, we have to give them 1 million bond. Which effectively say if we fail they can go to the bonds ...and ...million pound...

Q: In that case, you said 20% of the company shares are withSo isn't it an added advantage for you to get such an assurance from them...

A: No, they will provide us with a bonding capability but will generally with their agreement go to the most competitive bonding. If the bonding tends to be providing either by the bank or by what is called ...insurance...and depending on the market at the time one or the other will generally be more competitive than the other.

Q: Next question is how do you distinguish between the project delivery and business improvement at the [company Gj]?

A: 37.15 While the project delivery is going on day in and day out and we are getting performance data from it. So as a result of that data say we may decide to implement something which improves our business. We generally do that by piloting it. So rather than try and do something across the whole business we probably actually say OK, this would seem to be an area for improvement but then lets do that one region and just see the effect of that and then roll it out. So that comes back, eventually then once it's in that region it will be cascaded down to project delivery. I mean the health and safety is a huge issue for us.

Q: So the next question is business improvement is discussed at board meetings. Now would you kindly give me a recent example?

A: The first question, is business improvement discussed at board meetings? The answer is no. Ha ha ha....Now we actually deal with that there is a sort of 2 level board in [company Gj]. The board itself which the bank sits is the one tends to deal with overall corporate issues and with the objective of giving the banker assurance that the business is going according to the plan or whatever. And the way that we've chosen to set it up or {Mr. G.} the MD has chosen to set it up is that he has a management meeting level and that's the level actually which involve the same people with the exception of him and bank generally that would deal with business improvement. Slightly, unusual but the reason for that is because of the management buy out. If we hadn't had to have a management buy out it would be dealing... It would be dealt within board meetings as well. We touch on it. We know the board... we made aware of big investments of business improvement. But it won't actually be necessarily involved in the sort of delivery of it.

Q: So the director board where you are sitting, it is the highest level

A: Yes.

Q: How often you participate in such meetings?

A: Monthly, I mean [company D] do discuss business improvement at board level and that's different really, because it not the management buyer

Q: So the next level of board meeting, are they also meeting regularly?

A: Well they are not board meetings they are management meetings. I mean you know what board ...in a company which is a formal thing.

Q: So that board meeting is at every month and the management meetings are ...every month...

A: The main stream every month and the business improvement tend to be done ...task groups and so when on review is putting. When taking an example recently, we were putting ...being investing to a new human resource system. That's

...driven by the human resource team. But project group would be built up to actually monitor. Initially to decide on the investment issues and make sure the company bought into it and then it delivers. So that would be necessary for everybodyparticular team for delivery. If we're doing something else thendifferent team....team worknot every body in management team ..just a particular team.

Q: That is how then the decisions, everything will be taken at higher level?

A: Yes, if we're doing supply chain thing, we decide it for example, we thought it was interest tobetter interested by all of our kitchens from one supplier, then our team put togetherinvolving... actually how we're going to procure that. Thenwe don't want...

Q: That is coming from the director board to the...

A....the top level board would be aware of it. The drive coming sort of executive team which is from a management meeting

Q: The next question is how often is it..., is it monthly...

A: I mean not a huge amount at high level board meeting...

Q: OK, you try to limit it to yes or no answers or something like that...

A: 41.46 Well no, we generally be covered in reports. Well I tell you what we discuss at the board meeting. I mean the main topics that we look at the board meetings are formal, forward workload, so the first chunk of meeting is actually about ...looking at the prospects going forward, understanding what market is ...what we doing about it, where we are winning, where we are loosing, why we're winning it, why we're loosing it. So quite chunk of time is on forward management information support us that. The second chunk is about performance and that generally is contract. It's built up on contract by contract. So the board gets information on how every contract is doing. It won't generally look at that, we tend to report and discuss by there ends. So the commercial director will include a report on those contracts which aren't going well... which are outside the certain variance bracket. So we generally tends to concentrate on those.

Q: Either doing very well or doing very poor...

A: Absolutely yes. So it's plus or minus whatever per cent it is. We generally workWe don't discuss contracts much individual contracts. It tends to be just the very big ones, we've got 100 million PFI contracts in Oldham and that's generally will feature on the board because it is a very significant piece of business for us. And apart from that and it's just by variance. And that is 5 contracts and those are the 5 in this month and he'll give the variance to. The third area suppose to look at is customer feedback actually. Not in very quantitative form but as part of the MD's report would be feeding back....he would be feeding back what we're doing. We also do a piece of work every

now and again for independent research on our customers where they will anonymously talk to our customers and actually gets feed back for us.

Q: Rather than your standard customer...

A: Yes...because ...every now and again ...for couple of years...

Q: Is there a disparity between them.

A: No.very well, look at the cash flow, and also do with cash and that would include our banking covenants because the certain covenants we have to be with the bank. So that obviously matter for the board. We then look at health and safety as a chunk of business and very ...discuss on that and report on that and we look at human resources and then we have a heading for legal....report. So really that's the sort of the things board is discussing - customer feedback, performance, profit performance effectively and time performance, cash flow, health and safety, and human resources.

Q: Now if I ask you the next question, how much of time you allocate for forward planning on your meetings. Is it a bigger chunk?

Q: I guess that of the board 40% of that is looking forward.

Q: So let's go to the next section. Section C. This is all about my EFQM framework work. The reason why I'm tying this EFQM framework to my research is not because I like it or not because I don't like it. It is actually I'm using it as a tool to identify certain areas which are lacking some support from company or what ever it is. What I thought is now, if it is grouped like this anybody will be able to take existing problem and locate where it is fitting better... something like that. So that is the whole point of using it. Now I want to ask you 1 more additional question, I know your involvement in this best practice. Last time you showed me best practice diagram and all those building blocks. So are you using that best practice model at [company G] also?

A: Not formally by having ...are we doing that or the other but I mean our team, if I ask the team to take the leadership and say what components of leadership. Are we addressing [company G] to make sure that we are a best practice company? I suspect they come up with the 75 % of the things on the listBut we are not specifically using that model

Q: But you use the key performance indicator model basically...

A: Well it's more to do with KPI s actually, yes. That's what tends to drive the business by way of monitoring

Q: If you want to know where you are standing with respect to your competitors. That is the whole idea of ...

A: Well with respect to our internal budgets and our plans and with respect to our competitors and with respect to what are client what they are asking for. Some of the examples if we were given a contract with other 4 contractors. We could actually be doing better than the other 4before we shot down the customer. So

the 3 is triangular really, customer, competitor and turnover. As far as ...KPIs and what we're... got doing is to, be exceeding all of them and meeting our targets for all of them.

Q: So if we go by this now, KPIs actually... you can incorporate, every where.

A: Well, yes.

Q: So if you want to improve... now this company as far as I have studied, I have a picture that they give customers priority. They want to make sure that they capture their requirements, day to day work even at the business level so on. So now... is it something that you want to improve or, do you have to improve any other?

A: 48.19 I think all of those are important and things going on any business or any forward looking businesses, that they'll be addressing all of those, but its probably people and processes which have greater effect on customer results. Where the business is at the moment, then the others. I mean partnerships and resources means ...

Q: Your partnering arrangements and....

A: Well in that case its important as well, yes and the business is all about actually , developing very effective processes and highly competent people and to deliver consistent results measured by the KPIs.

Q: Now you say people and processes are important. Do you think that processes are also carrying people?

A: I think the way I would say that is if you have new process, you probably need much more highly competent people. So an effective process enables you to actually use... people over certain level of competent. Somebody...how they do it. Then you actually use a wider selection of lower paid and less experience people. If they start doing...what you're going to do, therefore we need highly confidence. To me it's hugely important to making sure that they will be consistent and that's very important....better quality health and safety. But also enables people to operate within the sphere of competence rather than have to ...outside that sphere of confidence. So another one considering building process then our kitchen fitter configure Kitchens and all that ...is fitting kitchens...actually within staff there and ...can actually pay for it or paying somebody for it. They can just concentrate on their topic.

Q: Now if I ask you a question from there, now to become consistent in your process, you need people. Now in this industry is it possible for [company G] to retain people?

A: We do retain, we have good retention rate and on the other hand the affordable housing is one of that. Its not one that So for really high fliers in construction profession, its not hugely satisfying, just refurbishing 1000 bathrooms and that's where the people will get satisfaction from there, and the people who are ...just in process ...manufacturing process people who are actually get their ...from making

that processes is bit more efficient just in time delivering bathrooms, that's the thing. ...are the people who get ...out of what we do not somebody ...cinema opera house or whatever which some of the construction professional do and to the task first because we can't necessarily attract hugely highly skilled people in the industry to make sure that we can but actually I meandown is the wrongfor it. But actually we can use people lesser competent and lesser skills ...delivering focused bits of it. I mean ...If you ask one person build to wholehe or she needs a huge competence If you ask 100s of different people to ...that what they do. You can train them to put the walls uporganizing that but that's very much, I mean that's bit interesting but that what decent homes ...

Q: So in your human resources, that division, do they have a training program or something?

A: Yes very big training program. Lot of apprentices, lot of trainees, a lot of staff training, a big staff training programme.

Q: So it is actually originating back and forth data?

A: It is and what feed in that training program and this is not similar to [company D] but there are 3 or 4 things which are actually free trainings. One is strategy training and ...health and safety, those are the things. SecondlyreportsIT training. Because that there basically confidence people need that. The third is a training program... so if young person join from a university or college and they are allowed to be our training program...they require and that's why the training for. The fourth then will be technical skills. So all the times we are making sure the site manager ...new technology comes in, the newstrategy comes innew window... we need to train them to fit effectively. The fifth area which is sort of a wider area, if we are going to different market place or the business ...train them to work with business plan. Then we are needed to ask the question ourselves, how are we going todifferent skillswhat we need to do. Those 5 main groups areAll those come together into the overall training program and then the human resource team then coordinate they deliver that training. They would necessary tothemselvesregional manager then take on board But that's mostly how the system works.

Q: So that means, at [company G], they don't depend on sub-contractors services?

A: **54.08 Oh no, we also sub-contract we have lots of our own people as well. But most of the trades work is actually sub-contracted ...specific trade work. So our people generally, actually we do have quite a lot of on site labour but generally speaking the trades work is sub-contracted.**

Q: So it is how much of your total work load as a percentage just a rough figure for me...

A: **Probably about 75% I should think. Well its sub-contractual materials. Well we wouldn't draw a distinction between us buying a kitchen and getting**

someone to fix it. Both of which is externally sourced or saying to one person you buy and fix the kitchen. I mean the industry calls it labour only, material supply or supply and fix sub-contract. We are all the time looking what is the best way to do that is, because if you got somebody to supply and fix it, in theory you are actually packaging up more risk and passing it on to them. But it might be the case they can't buy the kitchen as effectively as we can. Because they can't buy 100,000 kitchens. So in that respect is often better for us to buy it as we are buying thousands of them.probably then of course is wastage, because if he is supplying and fitting, he only gets paid after fixing the kitchen. And if we supply and if he damages it then we have to supply another one. The industry is all the time actually looking for individual ways packages what is the best way to do it.

Q: so what type of contract procurement, you are using for such situations with your JCT, partnering....

A: We generally flow down from JCT suites of contracts. No generally we are actually matching them to what ...the main contractor is. I mean they're working variouslycontract give you 2000... and generally speaking we'll make sure that sub-contracting is the right sub-contract to meet real issue ...disconnect between the two local risks.

Q: Then your litigations and all these problems. So you have a... we say unofficial list of sub-contractors who are working with you?

A: **Yes, we do. Because we are on long-term frameworks, we ideally recruit not just one kitchen fitter, or plumber or whatever but generally 3 or 4, 2 or 3 whatever it may be for that framework and they would, you know provide they continue to perform they would then generally continue to get the work.**

Q: So in other word you have this partnering arrangement to the local authorities and then bellow that again you have another partnering arrangement

A: And that not necessary in our case on open book basis. I mean it may or may not be depending on what the type of work is. I mean certainly we have open book with the client

Q: That is a separate one

A: We may require a sub-contractor to disclose his cost base to us. So we can break it down in more detail and that depends on actual package

Q: Next question is, you said, at this time you are prioritizing people and processes...

A: Yes, if I have to choose, I mean I do thing that all important I would say and wouldn't say we are only concentrating processes. But if you ask me to choose what is the most important

Q: Yes, at this particular moment, because it can change tomorrow...

A: Absolutely right

Q: Now you are saying you are prioritizing these two, is there any reason for it, at this time?

A: Only because those are the two which going to have the base effect on others...

Q: Customer results and the key performance results

A: I mean policy and strategy system behind this. I think this model is flowed in the sense, you manage people to process the strategies. Therefore I put them more into it.

Q: In a different way. Not in a way they have put it. So that means policy and strategy is important at the business level, then...

A: It is yes. I mean you have the source policies environmental, quality, health and safety, remuneration. I mean that's the main then became process and flows. Now you have a health and safety policy and ...process people works at it. So this should actually changes its place like...

A: Yes.

Q: So next question is now if you are going to work on these two how are you going to go about it. What sort of a mechanism you can use to enhance?

A: Yes it comes back to the sub process that we have talking about. I think the sequenceshould be define...what ...is doing we pull together working group from other people who are best able to contribute. We study where we are currently taking correct data. We locate what we believe could be achieved. It might come out of external best practice ...it might come out of the KPI data we are getting from the client. It might come up with internal sort of view but whatever we would say at the moment ...see what we are going to achieve, think what we are going to achieve. We look at the gap ...how we close that gap and then we would develop an agreed ...we develop a plan and implement that. ...That is the way we would tend to do work.

Q: Yes, with cascade down to...

A: Yes, I think ...business improvement project generally ...and there may be an iteration stage actually when if I ...go back and review where is the gap ...its not necessarily straight, rarely isn't it

Q: So my next question is now the people when you describe responsibility. Now you said it's going to be an iterative thing in reality, its not going to be a horizontal, thing

A: Generally the director or the functional head will be responsible for the each of the business improvement actions

Q: But when it cascade down other people are also having equal responsibilities

A: It then becomes a process isn't it? And that comes to the point where the business improvement project becomes standard practice and is a process. In which case, that's the whole object of the business improvement to get to an upper level and actually define what we are doing.

Q: Next question is achievement, now you are targeting your people and processes to improve those 2 and the achievement you are expecting higher successful rate in your customer satisfaction. Am I correct?

A: Yes it's absolutely. I mean if there is a particular area, customer satisfaction. Lets say that we weren't addressing what we ...We do very well in property but we are actually getting quite a lot ...snagging actually in which case the piece of work, we have to improve that and it re measure to the customer satisfaction

Q: So that means you have a set after care....

A: Yes, we don't do snagging because we do have a care policy and good to have care process actually ...we have to care people ...who are dealing with that ...example how we would work I mean ...we have to put some work in last couple of years ...we actually interviewing and taking on people, monitoring because ...if you need people and perhaps you know we didn't actually recruit those with ...might have done ...fallout rate sort out rate and we training our people how to do better recruitment. To make sure that we have a lower...KPI s we have a particular staff turnover where we got it wrong ...and therefore the driver would be to actually have a higher number of people if you are fairly be competent.

Q: Now if take you to your personal experience at different levels of companies I have picked up that you have worked at...and then at Stepnal construction also....

A: Well I was a senior executiveat...and I retired from there 5 years ago in 2002 October and since then I have been working for a number of different companies and in this non executive role which includes Stepnal.

Q: Now, this Stepnal... is it a smaller company than [company G] and [company D]?

A: Smaller, [company G] 120 million. I mean bigger than [company D] Stepnal is about the same size as [company D]

Q: If I can get your view on that business performance at Stepnal, is it completely different from these two or are there any similarities?

A: Interesting actually. There is lot of parallel.....what we're doing as well. Stepnal differentiation tends to be in 2 ways one is actually trace markets ...customer and things like property development, health care. We do ...on development basis. We do nurseries ...within the industry operations. That is different from other two...not actually [company G] ...In those markets. Wherein this case Stepnal have internal clients. That's very important and the second area where it is different is the Stepnal put a lot of work into the technology of building. I mean where they will see the differentiation is they are very interested in sort of innovationgood building process and the business is very much secure to make sure that we deliver buildings effectively. Particularly where there are different environment. We were good on complicated refurbishment. We have to do lot of work on sustainable buildings and one of our schools has been set to be the best or second best school

in the country from the sustainable point and that's a big driver for Stepnal and the third area which again probably driver part is that it is a family company and its been around a long time since 1960.

Q: So what is their marketing strategy other than the technology ...?

A: 1.06.12 Well that's about it really. There're looking for opportunities where they can sell their differentiation which is sort of you know technical difference, difficult building type of things or whether they can get a customer dimension to it

Q: Profits, now it's a family company so profits is not overriding the technology

A: No it isn't. I mean the family can take a much longer term view in investment. I mean they are very different, very different, business in the financial dynamic. Say Chase Norton, [company D] is contracting company and [company G] both of which are customer orientation really. Stepnal is...But they can, investing things, investing developments, they can invest new technology and they can take a long term views. So there are 3 things the family ownership ...the technology driver and the internal client and... Probably those are the 3 things that actually make Stepnal bit different from the others.

Q: So the internal client is the property developer

A: Yes, actually.

Q: it is not functioning as a separate business, separate company?

A: In some cases it is. In some cases it is not. Yes...we have property development which actually ...But not all of it

Q: So my next question is again to get your idea about this business improvement and the size of the company. Since you have experience at different levels, now which level is this business improvement becomes more meaningful?

A: 1.08.06 That's a good point actually. I'm not so sure it's related to the size of the company. I think it comes back to leadership actually and that's where the leadership is an important enabler. Because I think fortunately the companies that I'm working with is for different personal reasons I do work with, that the leadership is interested in continuous improvement. Leadership isn't just there as a life style business you know to actually to get a salary till they retire; they are looking to improve things. I think that's the driver generally for continuous improvement. The senior management team believing in it as one of the enablers to differentiation in the market place or either sustain in the market place or you keeping up with the competition or to getting a head of the competition through improvement. I mean [Company D] has invested in document management system. They've invested in ISO14000, because they do see it as ways of differentiating the business. But I think that's come down to the leadership.

Q: So the economics of the business is it not going to be affected by size of the business.

A: It is to a degree. It is actually in the sense that ...I mean investment in R & D isn't necessary because of the business. It is in some way easier ...pushing to commit to ...and easier proportionately, that the other businesses are ...I mean its easier ...to [company G] putting an HR system and it would be for Stepnal and Chase Norton...don't probably think it does important an HR system , where it is the [company G]Lots of different people and more ...So I think there is a size of business issue there. That's as far as a capital sort of investment. I think it is a investment of timeI'm not sure it is....believeThey will make time to ensure their teams and work on business improvement, depending on what they believe....

Q: May be the market, are there any other external factors...

A: Well that's also there, I mean if you are in a very tight market...I think those things are business size related sensitive and is quite difficult and ...say ...Its difficult to remember the ...I think those things are business size related probably. On the other hand I think that the ...the smaller businesses are much more fleet ... They can decide to do something and get on with it much more quickly than a big business...where as actually the smaller ...its difficult work for anotherand somewhere between the120 employee Stepnal and [company D] now, 4 or 5 hundred people are in [company G]...and there may be couple of ...You got fare amount of ...I mean you can develop a solution quite quickly, but then rolling it out across the ...is quite difficult ...

Q: There is certain big development you called...

A: When we come down to it, business improvement element is only embedded and having effect, if it's being used all the companies operations. So its site based ...so if decide to screw, screw it differently. Then the one man that carpenter can start tomorrow and he is doing that....try ...and they got together every site manager and all his team in line. [Company D] without 15 sites... very easy. So these things, that's quite a big got the business improving well. That is necessarily occurring.

Q: So when you discuss about it, all these big companies, they have a proper business plan to work, the smaller companies which don't have business plan, they work on project base and medium companies they may have or not...

A: Well medium sized company as well have a business plan, yes.

Q: Now what you're saying is, the easiness getting done some work, may be the reason for small scale companies not to operate...

A: Well I think it is ...because they know if they want to do something , they can actually discuss and decide thatresources ... There is no point of having highly sophisticated planpart of it , to make sure what the reason for to have a fully developed plan is to make sure that you can brief everybody on it , understand the

part and play it and I see the reason ...for it between the need for a clear plan and a very detailed plan for big business. Where you got to make sure everybody is understanding the point you know...

Q: So medium scale companies cannot do their, depending up on where they are standing...

A: I mean I think, I am also having involved with a couple of companies ...They all go through the process you know, of business planning and looking at the markets and the adoptions and looking resources. When you comes out with the decision whether you are going to invest cash, people or whatever and all the ones go through that process either fare amount of details right through down or farley quickly. But then somebody say ...team knows what's wrong

Q: Different combinations like. Human resources or market processes something like that

A: Yes some might say, I mean when we come down to ...construction company I think there are 5 drivers ...4. One is the market; another is cost base, third is people and fourth is cash flow ...resources catching them. So some might say I run this business entirely for cash ...that's ...important thing. Therefore I build the business plan around the company ...cash and what do I need to do then generally cash and others would say ...differentiate...those on a very effective cost base and we canmarkets if you like ...the cost efficiency there from ...Others would say, no it's the market important to us. So that generally ...the case in [company G]. But ...in Stepnal...development and

Q: In [company D]...

A: In [company D] its sort of a it's a ...build of both the efficiency and the market. The division is not so clear in [company D] I mean you don't have to leave...

Q: Yes one ...

A: I mean sort of market, people, cashing the, I mean the efficiency under the... I thinkany ofI would argue, those are the only important thing in business and anything you are doing at the business must be reinforcing one of those. Where it's no point in taking any action or reinforcing anything unless it is a, actually improving people, Generality cash. I mean cost down or winning new work in the market place...

Q: So that is your idea with the respect to all places where you ...work...

A: ...very different in that respect between the Carillion and there are more companies ...

Q: Here I want to capture your individual ideas. Now I know you are working at ...

A: Working at the same level but different companies.

Q: Different companies. So you are getting more information from them. How they operate at your level. So my next question is, you have answered it. How or what is

the most effective way to translate a business idea to a lower level. To the processes or people or more to the project level.

A: Yes I think there is a good answer there one is to make sure that people have to going to understand why we doing it. Rather than just ...good idea. They generally understand how it's going to benefit the business. Then I think its important giving the option of business improvement will need to be those people engaged with it, Rarely you do your job differently and you see the benefits generally as whole. A group of people going to have to it differently. So the other important thing to me is that actually making quite plane to the people engaged with that delivery of that new business improvement idea and what expect of them I thinkgoing to be a really detailed view ...we going to do this differently, the reason for we are doing this. This is how the benefits ...and therefore we need to do is ..., probably we need to do that

Q: They have to give specific job descriptions

Stage 1 – Interviewee H1, Company H, 2007

Q: Good afternoon Mr. [H1]. I am at [group H] and I am going to interview Mr. [H1] who is the housing director at [company H]. Thank you very much for giving this opportunity. I really appreciate your time spending on this research. So my first question is actually, I need to know about your personal background please.

A: From leaving school.

Q: No, in construction field, as now you are at a very higher position

A: OK, right, well from leaving school I joined a construction company as a trainee, on a 4 year training scheme...is to pursue building qualifications and I had a 1 year training in quantity surveyor, 1 year in planning, 1 year in site work and my 4th year on training was in the discipline. I selected which was quantity surveying and then I came out of my training-ship and choose to continue with my vocational studies at night school. I went right through the Institute of building qualification and got my member of the Institute of building on. On education side I then went on after spending time in the industry to...being a fellow of the CIOB. So today I'm a fellow of Chartered Institute of Building. So going back to my experience for over 3 years, I was quantity surveyor and then I decided that I was getting more job satisfaction over to the management side. So I moved into be a manager and I held position on Assistance Site Manager right up to being a Project Manager on large sites as I was approaching in the age of 40 and then I took the position as the Area manager of company Z and I was responsible for the Z1 area...and then I took a directorship on the as the construction director on the company called Y and after 5 years has been the construction director where I was the member of the board of directors and I became the managing director.

Q: Is it [Y] a bigger company?

A: Well in those days it was a quite big regional contractor in the West Midlands also have the...throughout in ...but

Q: Company Z is of course a multinational company

A: But as a managing director I was there involved in the fact thatwere bought by....So I remain in post as the managing director then forandhad....operations as well as the... operation and after 6 months to combine and I became a responsible for all the operations that where being carried out byin theturnover then is about £ 60 million.

Q: This is in which year like.

A: I was the managing director in 1995 to 2001 and in 2001 my carrier took a broad change. Because I inherited a 37 year old accountant as my boss and his view on life was that , he was less interested in ..., the older you were beyond the age of 40 and therefore I didn't figure in his future plans and in 2001 we parted company . After a financial settlement that occurs in such circumstances, I nevertheless have to draw my line under my carrier as a managing director of And will move my carrier forward elsewhere. So I took a position of general manager with a small family construction company called Piper construction inand when I joined the turnover was £ 3 million and we moved the turnover of the business forward and the 2 and half years that I was there giving to just over 13 million turn over and so however life working for the owner who was a gentlemen called Denis ...was somewhat frustrating and as I knew Tony hide from my days , we both into each other at Institute of chartered surveyors dinner and we got talking and he asked me ,if I would be interested in heading a division that was giving nothing else but housing and I said that I would be quite interested into it and so on the 1st of April 2003. I took up a position as the Housing divisional manager here. First months turnover was £ 700,000 whichabout 8 million ...turnover.

Q: This is for housing division only?

A: 7.36 Housing division, yes. And we progressively moved that housing division turnover up to this year we will do 58 million pound turnover. After 12 months, I was invited to join the board of directors. So I became the housing director within [group H]. And the type of work we do is all residential work we call it. Which is new build housing, nursing homes, shelter blocks, apartments, old peoples homes. Anywhere where people are actually living is what we do. And we have another section which does the decent homes improvement program.

Q: With partnering...

A: Partnering with various people. I do lots of partnering work, but the split of the turnover is that I do a 34 million pound turnover this year is on new build work and 24 million is on the decent home programme.

Q: Now if we come back to the company strategy at [group H]

A: 9.21 Right. [group H] structure is, it has number of individual divisions that operate quite separately as sort of individual little businesses all under the [group H] umbrella. They are my housing division, there is a division called strategic projects which undertake works on a design and build basis, a traditional work division that does traditional tendered work where the design responsibility is with consultants not with [group H]. There is a division we refer to as the Aston division; which used to be doing predominantly interiors work and work for the railways.

Q: They are not going together interior work and railway work

A: Now it goes to slightly varied work, but I think it would probably still say that they do predominantly their office interiors type of work. And then there is another division which is we call as the Reading office because the company took over a ... company called [C and C] who were based in Reading and that is being integrated into the [group H]'s empire and we now referred to that as the Reading office of [group H].

Q: They are engaged with; Reading office is engaged basically with what type of construction work

A: They just do a variety of construction; they don't specialize in anything they do. Variety of contracts yeah.

Q: So that is the structure you are heading the housing division which is going to be , I think majority of your work is through partnering, I believe and what is the strategy you operate with

A: Right my strategy is...

Q: Because I can't ask you the general strategy because these are all autonomous bodies like.

A: 11.53 My general strategy is that...for start as... all my work is for linked to housing associations for affordable housing or registered social landlords. We don't build any work for sale to the general public like the Barratts of this world. So it's all for housing associations. Now in the area that we work within there are 4 certain key clients. Let's talk about the new build first. In new build there are 4 main clients in our area – as they are now called Spectrum, The Midland Heart, The Bromford housing group and Waterloo. And my policy is that we started off with a framework agreement with Spectrum, and it was a straightforward philosophy of- you demonstrate to a client that you can deliver a good product on time, within budget and then they'll come back and want you to do more work. And therefore that strategy enabled us to grow the volume of our work with Spectrum. Then we seek to get opportunities to work with the other 3 main people which we've achieved in doing. Same philosophy when you got a chance do a good job, finish it on time,

quality is great and within budget. You try to become the first choice contractor of the people that you work with and you try to work with these people time and time again.

Q: Yes, now that is the philosophy you have invented to with those selected clients. How do you plan for that to the people who are in the work sites?

A: Well that philosophy is pretty simplistic and to place any construction. So you always leave the client with the impression of you that you are a user friendly person to work with not claimsconscious, with no apatite, no aggressive towards people and I will give them a good job. Now everybody in my company is aware but that is the way that we should be working and for starters through out the years once comes across people of all different capabilities. Everybody's gotWeaknesses and those that you feel sort of agree with your strategies and do a job for you. Then we tend to stick together. So when I join this company I inherited a number of staff

Q: From your peers previous...

A: 16.00 No, from they've already in this company. And I brought with me what I called my black book, with lots of names in and then I'm keen to offer opportunities to come and work with me 2 people who I've known from the past, who are of the right caliber to fit what I'm doing at [company H]. And so quite a lot of people now in the [company H] - housing division are an accumulation of people that have come and joined me that I've known from the past. Now, that makes life easy for me because I have people that know that is the business strategy that I pursue they all pull together. The interesting thing is that you also need to supplement that way by brand new people that bring in from companies. I have certain views about that. I have never yet met anybody that comes to an interview with me and he is the perfect person that I can't do anything other than employ them. They all need as I call it a modeling and shaping when they come and join me. Some people don't get through the interview process, because again I say there is nobody has ever come for an interview with me and told me that they are no good and they all tell me that they are great. And you employ techniques to try to test whether or not they are OK. And some pass the test some fail. But, when people join me then that's when the work starts. Because you got to mould them into the business philosophy that is generally a successful business philosophy and that's when the works starts. Now, I tell people when they join me, they get an induction on [group H] and the [group H] way and all those kinds of things. But I also give them a number of policy directives so and I talk through these policy directives with them. And I tell them that these are the most important pieces of papers that they are going to get. And it tells them how I want them to work in order to fit in with my business strategy,

and I tell them that I work in the ways that are outlined in these documents. It's not going to make their life easier. But it's going to make them better equipped to do their job more professionally and better for the company and in line with what I aspire to do.

Q: Will I be able to get a copy of that please.

A: Yes you can copy those things. And I tell them that they should keep them safe, They should read them regularly and it tells them how to do things in the way that I want them to do and it also services another purpose, because and sometimes people have a habit of slipping in to their old ways of their habits, if they been given something in writing, this is the way to do it clearly and then they lapse into sloppy ways that not as we would want. Then you got the mechanism to give with that properly by saying it's down here as 20.25 to how you do it. You ain't done it, behave your self. Buck up, you know what it means.....I have try and stop slipping into type of those phrases.

Q: No, no it's alright because these are very important.

A: Buck up means improve your quality of work. Because I have another straight forward philosophy, that is I give people one chance. I give people one chance because I stand and fall by the efforts of everybody else. Now I can let somebody screw up once. But I can't survive if I let people keep screwing up. So one chance after that, it's into you are not doing your job right. And... because I need people that are not letting me down and you won't survive in business if you are a soft touch and people keep telling you all kinds of excuses why the ain't doing it as they should. I'm not into excuses; I'm into telling people what actions we taken in order to produce results. Not giving people thousands of excuse why we failed. And that's why I have philosophy, but I'm very supportive and give everybody as much support as they want. I'll talk to you about different management cultures in a minute. And what I need to do is spend a lot of energies everyday to make sure everything is right. So that when I go into board meetings and I am presenting the results of housing division we're achieving what is the objective that have been set for me. Not having to go there and say I'm awfully sorry I screwed up here, screwed up there, not gain anymore work and that is like a recipe for disaster isn't it? I'm a successful manager not a failure. 22.45 I tell people when they join this company that I operate a supportive management culture. There are 2 forms of culture in management. One is a blame culture and the other one is the supportive management culture. The blame culture is I liken it too. When you need some help, you look behind you to see who is there to help you and can't see nobody for dust. There is nobody there you are up on your own. That's a very uncomfortable way of working and it doesn't lead to success. Supportive management culture, I tell people is - you join my business and you need some help, you turn around there should be somebody there helping you. If there

isn't somebody there helping you, something is wrong and please be aware of that something is wrong, because there should be somebody there. And then you should be using the management hierarchy to say - hang on a minute here. I need some help here and I ain't getting it? So Glen has told me when that happens something is wrong. And you will get to people that are my tried and trusted people who will immediately recognize something is wrong and then we have to deal with it. As soon as you get to fixing in anything that is wrong that's better from the business point of view.

Q: So strategy is quite comprehensive and I can see you are taking an initiative in that regard. So...

A: Going back to the strategy, today we catch it all the market place in the ...for , that means ...housing association. So we are in frameworks now with all the named places in theand that's why my biggest problem now is feeling business to cope with the growth. But we get back to the philosophy of we get a chance to show of what you are like and we do this good job and they come back for more. Fortunately for me there are other businesses that keep messing up and so people are aware that ... instead of ...I'll come to [company H]there a reasonable job, for a reasonable price . Still some people out there that want something for nothing but I'm afraid I can't deliver them; because I call it they can't have a BMW if they only want to pay a Mondell price. So those people I don't want bother to work for because the ...If they come to me they get a reasonable job, and is good quality, on time and after they pay the market price for us.

Q: When you are into partnering businesses are you working on open book management method?

A: **26.23 Well in some cases, yes, where we are working on an open book basis with an agreed overhead and profit markup. That happens in the Birmingham partnership on the decent homes programme.**

Q: Yes local authority partnership

A: Yes, its not totally open book basis because, lets say for an example if in that scheme there is a central heating installation to be done. We obtained a price from a heating company to go in through houses and install a central heating system. If it's £ 4,200 for a three bed house, then they'll get paid that and is not open book in such a manner that they are submitting their price based upon 16 radiators at £ 25 each, 1 boiler at £ 350 like that. It's that there has been an agreement that for all those houses they will get paid 4,200, so when we open our books up. We showed to them we have done several thousands of heating installations and 4,200, these are all the addresses the tenants have got their central heating and have said lovely, thank you very much, nice and warm in my house now. And that we are audited

that is what we have done, that is what we have been paid for and we get our overhead and profits.

Q: Based upon that price?

A: Some of the new build frameworks, we are asked to, we have been selected for a job and we then in the early days we work forward the job, progress the design, sort out all the problems that there are before we start on site and then we submit our price for doing it. It is interrogated by employers' representatives to make certain that it is representing market value. And then as long as they are happy they say right we are happy for you to build those 29 houses you see out there for 3.1 million pound. And we say that will take for us 42 weeks to do it and there is a contract drawn up and off we go. Other frameworks, they say yes, you are one of a selected number of contractors that are in the framework.

Q: That is OJEU

A: Oh we have gone through the OJEU process. The process is getting into a framework. You response for the OJEU notice, which is offering the opportunity to everybody. If they wish to throw their hat into ring to consideration to be a framework member for, say Midland Heart housing association worth for the next 4 years, and then you apply. Then you after filling a document which is applying you credentials as the business to be able to do it. So you then get assessed. And some people then fall by the way aside, into the next stage and the next stage. The next stage probably is being interviewed and submitting other more detailed information about how do you would propose to do it and then they make an assessment and draw a certain conclusions. They have a certain scoring mechanism is over and then they make the decision after all these hurdles that you have to jump over from the selected you as one of a selected contractors that will be in the frame work. That's how we get in and then there is the first method of being invited to do work within the framework, that I have mention and the other types of framework. They say right where there are 4 contractors in the framework, we have a scheme for this one here again 29 dwellings, Wooster Road, Stourport and here are the planning drawings and the architect's has worked up. You give us a price for that. So you are in what I call a competitive tendering club. And so you compete then in select number of people and generally they select the lowest price. Sometimes you go along for an interview if you like the lowest two because they want to question you about the various things, whether you have allowed for this and that.

Q: Yes, other than the price

A: ...and then they ...work...to a successful contractorat the moment 3 or 4 new build frame works are competitive tender

Q: So you choose some negotiated tendering also.

A: Yes. There are sometimes clients come along and say we got this scheme and will you give us a price for the scheme ... we have a 1.2 million , can you do the scheme for 1.2 then we come back and we say. Yes we can do 1.2 at the specification here and then we say we need to have more enhance finishes them up.... Well if you want we call those things like shopping liststhen they say you want more things like ..market.....back to my philosophy again is we cannot get unfortunately BMW car on Monday or Fridayprice and you cant expect contractors to not be pay a fair figure for the work that they do . So youthe scope of the works, if they feel that the scope of the works not fitting their requirements then you giving an extra price for it and then they either say, yes you can do it,

Q: If I ask you a question where is more money in negotiating contracts or partnership contracts. Because any business it has to work on some profits.

A: 34.23 Oh yes, yes. Well, I would say that the better route for all parties, because all parties should benefit from it is when you are negotiating. Because we are able to fully understand the total scope of the works by doing it that way. If you are giving a tender basis, you price what is on the drawing. If in actual fact when you get on the site you have to do more than what is on the drawing which happens an awful lot, then the client is faced with having to pay the extra. Because if the people he has employed to fully bottom out what is the full scope of the work on that particular contract haven't done there job right, which I must say tends to be the case very very frequently. Then the full scope of the works hasn't been properly identified. We price what we see. We get an award and then when we move forward we find all kinds of things that come out of the woodwork, and the client then is faced with having to pay extra. Sobefore he is getting his full scheme when he made the contract award for the price that he contracted at, but in many instances that price goes up. And his job gets delayed because in some instances they found out nobody has progressed some approvals to connect the drainage into the sewerage system and you think ...somebody will have done that but amazing how many timesSo these things impact upon the contractor. The other wayThen we respect to bottom all those things out and therefore the scheme price that we offer to them is generally the price that they end up paying.....more reliable. Because we bottom all those things and only when all those things bottomed out are we able to give them a price. They say, Yes, OKand generally the price

Q: So negotiated contracts are preferred than the....

A: We do have a number of people that work for our clients. They still believe that you got to still going out to competitive tendering .and we give our best to our partner ...to them in the scheme at the moment, doesn't seem ...bottom ...might be

better to that, might be better to do this but the people ...still believe the right way to do things to keep going out the competitive tender and the lowest price you win
Q: So if I ask you, in your housing division how do you form the strategy? Now you have given me some idea and you have your key personnel with you .Who can transfer the strategy, you can depend that they are cascading the strategy down to your construction sites and if you can kindly tell me the formation, how it takes and who are the people involved there.

A: 39.00 Right, I have a management structure where I have a head of the new build division and the head of the regeneration division as we call it. Beneath the new build division head is 4 contracts managers and beneath the head of the regeneration are at the moment 2 contracts managers. And the contracts manager responsible on the regeneration side for each of my 2 major clients in regeneration which is Birmingham City partnership and there is the Wolverhampton Homes partnership. And now we could say because I now work for 4 major frame work people that as I've got 4 managers over in new build there is one for each. I try to keep them so that they are client specific but there's a bit of a mixture over there. And the number of people that I have depends upon the volume of turnover that I'm doing. And then we are constantly monitoring whether there is a going to be a continued increase in turnover because then I need to put another management team in. Another way that one can guarantee success in your strategy is that you check an awful lot. There's a straightforward philosophy that I work on which is called the trust and control graph. So if you are working for me and I don't know you and I don't know how I can't trust you. So I have to control you and keep my eye on you until such time as you've demonstrated to me that the calibre of your work and what you do is whether that I wanted to be done. So that I can trust on you more, so I don't control you quite so much. And sometimes when people let you down and tell you things which aren't right, then, yes they lose that trust and you have to control them big time so you're constantly asking them for. Based upon that one has your finger on the pulse to the point where, I know who are the people that work for me, I know where they all sit on their own individual trust and control graph. And obviously some of those people that I have worked with in the past I've have already gone through the assessment there and I know I can trust them and they won't tell me Poky pies. You always have to check, [random like] and every site sends in a report to me weekly.

Q: Now under these contracts managers there will be several sites isn't it?

A: Each contracts manager has new build house 4 sites.

Q: So that means you are getting 16 reports from that new build site only, now is it coming through the contracts manager to you or...

A: They send them direct to me with the copy to the contract manager

Q: And if I ask you do you have a daily job at the site level as well?

A: 43.27 Who me? What I do is I have a copy of all the programs that people work to for all the sites. Part of the weekly report is they fill in where they are on the program. So that I can see for myself what is the picture of that site. That's one of my sites... and now part of this trusting in that I call it periodically I'll stick in a probe and see what the reading is, like that... That is I'll go and visit the site. And I'll find out for myself what is the, what I believe to be the situation, by asking them lots of probing questions and having a good look around. And if I find a site that what has been sent into me is correct, then my trust goes up. If I go on the site and it isn't the way that they have been sending their report in then my trust goes down and I start to control these people a bit more. Because, you know they are not right. That's the way that we work. Now interestingly every month there is a formal review of where the jobs sit financially undertaken. So all these sites are reviewed every month under...

Q: Under whose supervision?

A: Under my supervision. Because the performance of all my sites are each month are then accumulated to for me to give the results for my division, to the board. That's the way it works. And I'm expected to know where and what will be the performance of my division and whether I will as I call it land my jet where I am suppose to land it on the runway at the end of the year. And you do that by monitoring as you work your way through the year, because as you get through the year, you are getting more certainty. Because there's less time left in the year for things that you don't know about to happen. So round about now, I know with a high degree of certainty that I will give about 58 million pound and worth turnover this year and I will hit my profit targets. Because unless I will falls off....on big time and that's the way I'm going. Yes there are always things can be things happen unexpected things and when they do we all go back to the supportive manager, we all gather round to see to mitigate the problem. But if they we to face the fact that something onis happened then I will reflect that in my nextand explain that tender frame....went ...has been delay of ...on my jobs and its going to cost me £ 100,000So my profit expectation will be adversely affected by that

Q: So that means you value past experience in your progress

A: 47.57 I also have a philosophy that in the construction industry things are always going wrong. So when people, I don't shoot the messenger, I expect people to be telling me that things are going wrong, because there is always things going wrong. And I don't shoot the messenger, all I ask is the person there to tells me what's going wrong, is that they are doing something to try to

put it right. And we'll help them to try and put it right as a management team. And that when people keep telling me that they've got no problems, that's when I worry. Because they probably telling me Poky pies. Because I know that the construction industry don't work like that. So when people tell me that they got no problems, then I'll go and see that site. Because that's generally that they are trying to pull the wool over my eyes. Another philosophy I always work on is, I'm always visit the site and I'll arrive on a site either, before 8 o'clock in the morning because sites start at 8 o'clock. Or I'll turn up on a site at night 4 o'clock in the afternoon [by the time they finish]. I do that because if I turn up on site at quarter to 8 in the morning and the site manager don't turn up until half past eight [that means] some thing wrong. And if I turn up on the site at 4 o'clock and if he has gone then it's not right. So I'm afraid I always guided by this trust and control mechanism. If I turn up on a site, the word gets around that if you are going to be visited by me it's generally going to be at those times. So woe be tide you, if you were a type of person that you know comes on to the site and start your work late. Site managers are suppose to work site hours, site hours is what site hours are. And there are occasions when I am there and managers ain't been there and I can tell straight away because there is like a general nervousness going around that shit how are we going to know that this manager know that Glen's here. Any way, you know after a while you're warned. Ok I'll give somebody one chance if he didn't turn up last night expecting....

Q: You don't ask them, you expect them to come back to you...

A: For example I remember one guy turned up on the site he got to wait....and I was around ...and seeing all the ...busy guy...So I said right I'll go now. I walked around the site...

Q: Were you happy with the work you have seen there because...

A: No, I was not....certainly with the fact that manager ...turned up ...one of the guysand manager turned up...So the guypromised me ...visit that site again.....thereafter and ifsecond time hecorrective measure because I cant trust himin management

Q: Now if that manager hasn't turn up, we'll say you have fired him.

A: Well we can't fire people, you got to go into disciplinary things and these are somethingand torturous but certainly I think that I will do is that I will ...the opinion that I cant trust that guy .I probably bring another man to the site. There are various techniques that I do to protect the business

Q: Is it possible for you to get people on board like that. What I have from other places, this people issues are very difficult to handle .In the same time there is a very big scarcity of the skills in this industry at different levels. So now the principle you are operating you give them 1 chance, second time he is closely

monitored. You can move him to another division or whatever it is but there be a vacant position there

A: Well, the starters, I get them self a pretty good chance because I never use freelance labours. Freelance managers. There are some people in the construction industry, they think that as they are getting work, when in work they wait until they want the job and they use this wonderful freelance staff capability which exist in construction, pick the phone and say can you send me a site manager to this job. Because we are starting on Monday. Now if we go back to my philosophy what I do when somebody start working with me

Q: It's a quite a big process

A: It's totally different. If you going to rely upon freelance people you got no.....so ever to the company. Then your, on adisastrousand lot of people are in there in the construction company, that's the way to do it. Because I get recruitment people that are sent to me ... saying toThey got all these wonderful freelance people and that's not interesting, and they say why not. You are out of touch. This is the way to do it. So I will always recruit permanent people, who I believe will have ato the company, freelances are doubt. So I get themselves a chance and of course I ...take many references as I can and I get myself the best chance. But there are still times where I don't get on right all the time and yes they have to go through this, such a process, sort of ...generally different managers, that is the man running the site trust worthy and then we pretty hopefully gather guy on the site, that I know he is trustworthy, because....and also have another philosophy which is you try your best not to get too new people in line. So you are slightly, you got a contracts manager, site manager and an assistance site manager. Then you don't have toin a line, that are new, trusted,people

Q: So you get mix and match people

A: So that one there that trusted is overseeing a map is not yet tested and that the end doing the job right. I trustedand tell me herightif I got 2 trusted people in a line that's difficult or it may like more risky in terms of managing. Managing people is a new perfect art and I say that people when they coming work with me, they are the, love it or hate it, because if they are good, doing what they are doing

Q: If they like the job what they are doing, they will like it

A: If they good at doing the job they love it. If they are....or they say they can do the job, they are not really up to it. Then we can probably see with the mechanisms that I apply and they soon get found out and then they don't like it and its quite interesting what happens when you begin to suspect somebody is not pulling there weight. Because yet they dint like it then they are ...Because I like to playing

football, you see, if you want to playthenif they cant run around the pitch 90 minutes, then they cant

Q: lets get back to my section B now, how do you distinguish between your project delivery and business improvement. Now I can see the way you have described, your involvement in business. You worked at both levels

A: 59.29 Business improvement have to be doing all the time there are always better ways to do things I find. And we use these skills of which [interviewee H2] with in helping us do that. We are always finding that, if you have difficulties here how can we improve that to not have difficulties again. And we introduce changes in what we do in the procedures that we do in order to make certain, we don't have those same problems a second time. Interestingly we employ a mechanism called a collaborative planning workshop. [interviewee H2] introduced it which is great, because what that does is, it invites all the people into a room that are involved in the project, brick layer, ground worker, plasterer, carpenter, roofer, client, architect and they say - right how can we do things better and it's quite interesting that. Because you might have the carpenter that he was blissfully unaware that the heating man would like a certain part of his carpentry work done first, that enables him to get on quicker in his job and the carpenter will say Blimey, I didn't realize that no skin off my nose to do that first before other things and now that I know that I'll do it. And so that sort of philosophy prevails here.

Q: Now if ask you, do you sublet lot of work here or all of it? Only the management is from you

A: Management is [company H] some of our support people like our labourers on site are direct employees, we have all our work is carried out by subcontractors or members of the supply chain and then you are into another philosophy there

Q: How to maintain the supply chain

A: I call it that you are in the housing supply chain club. So at the start you should be good enough to get in. So it takes references to get in. Then when you are in you got to maintain a high standard of work in order to stay in. And we don't go throwing it out to every Tom, Dick and Harry every time. And perhaps saying right we will give this job to this chap here who is a man of straw, because his price is the cheapest, because that man may not have the ability to deliver another high scale job. So that's an art. So you are coming to the supply chain you are expected to perform, if you perform you get in if you don't perform then we talk to you about why is it you can't perform, and if you can't perform you're out. Then somebody else get the chance. And that's the way we do it. And if you are in the team and you are doing well, as you stay in the team you get more work as long as we don't give you too much

work then you then crash, because you got too many players in the air and players start crashing so you have to manage the supply chain. There is a chart on my wall that's done by our buyers, kept up to date by our buyers. It's got every site, every plot on it, every contract that we've got on it and all the trades that we will be letting on the contract - and the names going in, which is the supply chain member that's doing which job and if you see an awful lot of the same person, in there, people can say hang on a minute are we not over-committing this man because we are giving him too much work. And each individual company has different capabilities and if we find some of them are struggling we then don't give them any more work, because, generally it's another risk.

Q: Cash flow problems... got a sub-contractor...

A: 1.04.51 Well we don't starve them of cash, it's probably resources again, the key is resources. If they are being asked or if we are demanding from them so much involvement in the work that we're doing that they have to go and bring in new untried people. Then you know that there is the risk. So, bit like me, when I'm employing new people that's the biggest risk that I have got, employing new people until if I work with you for 3 years, I know your capabilities don't I? But if I work with you for 3 days, I don't know whether you're good or what. And that's the way of the world. So it's constantly being evaluated and interesting thing about the job is that somebody an individual who may have been good and all of a sudden he goes off the rails. There is a problem at home a personal problem and he is worrying about that he is not thinking about the job and then whooph. His abilities taken a nose dive, and then we're sort of oh what's happening here, you know this guy used to be reliable now he has not so reliable he is letting his progress slip and oooooh...

Q: Now relationships are also important role now, if you know the people their capabilities, you can monitor them easily if you dint know

A: I told it when people work with me then they build brownie points. And if you keep doing with your job with me and you keep doing well, you are building up brownie points, now if you start to make some mistakes, then you loose some brownie points. Now if you have never built up no brownie points at all that means start to loose brownie points you are in a position ...but if somebody is working with me ...building the brownie pointsall of the certain things start at a ...state ...normally you are building brownie points so, what's going on... because you are loosing

Q: So people are allowed freely to discuss those matters with you, when you call upon them

A: 1.07.35 Yes, you know it's like I'd say to somebody why are we having problems on this job that we never had before? And then I invite them to tell

me, because this is a management supportive culture, then its like if you tell me about the problems then you know we do our best to work out to sort it out. I call it like being a fireman, and if somebody tells me that there is a fire, I'll go to the fire and put it out. And if no body tells me there is a fire then there're denying the opportunity of the fireman to get to the fire and help to put it out. If, they put the fire out by themselves that's great. But if they can't they should call the fireman.

Q: Now if I ask you my next question , now you mentioned that your business improvement is discussed at the board meetings . If you can kindly tell me brief agenda like, what are the things you discuss there and how much of time you allocate to your business improvement discussion.

A: Well each individual in this business set its all business improvement targets, with the business improvement management. So we are individually working the way all the time and being reviewed by the business improvement managers how we are going along are journey to business improvement and the business improvement director reports into the board meeting and a business improvement report has to how each of the division are progressing and you can imagine, that if you got somebody that individuallythe business as not interesting in business improvement ...simple, you know. Then he would get very good report and then of course it ...board meetingmore activities you are doing and ...into ...things like reducing non reportable cost. All kinds of things that we trying to make our performance better using more innovative materials energy saving things and all up Q: How much of time you roughly allocate to discuss business improvement at [company HJ]?

A: My division now has a review meeting every month. So we have a half day review meeting where we are talking about the problems that we've got and how we're going to deal with them and improve them. Having come out of there having made an agreement between my senior managers as to what we are going to do to improve. And the next meeting then he is expected that the people have done what they were proposing to do or agreeing to do in order to make life better.

Q: Then that fed back goes to the board meeting

A: 1.11.02 Yes the business improvement director is invited to join those meetings and then he forms an opinion and he also is monitoring what we are doing against our business improvement program and that's what happens.

Q: My next question is, now you said you are having monthly meetings within your division so how often do you have your board meetings?

A: Monthly

Q: Now your personnel experience since you have worked at different companies, do you think business improvement is a very important item and...

A: Oh, yes

Q: And do you think you have to discuss about it more and more in board meetings than on what's happening now

A: My view is main thing about business improvement is what we are actually doing, you know in the board meetingnot spending time in the board meeting talking about it. You can talk about what the company wishes to focus its attention at to improve its businessdone. There are certain areas that we are target on to improve. Then we spend time actually working within our division improves up on it. Different divisions have different problems, and different things they feel they should improve and due to the nature of the work and so each one of us do and so each of us got different objectives and then we work on it to improve it but I dint wait till the moment of the meeting the review meeting if this need to improve something tomorrow, I'll improve it tomorrow.

Q: So do your targets are actually to see how the market is for your decent houses. That is one and the next is profitability. Am I correct? Are those the 2 areas that you are working on?

A: 1.13.21 Well it's like they are all ingredient into making the business successful, because (1) you got to be able to make your business a marketable business. Because I always say that the first thing that I'm doing, back to this my performance on site is that if we are rubbish on site. Then people don't want to use us. So that's the first thing.

Q: So that means you want to start with the project level to improve your business

A: Yes, the quality of the work that we do has got to be such that we're invited back to do more work. So that's a minimum sort of level of performance and then you have to monitor the way in which the job is going in order to you remain profitable and you improve your business performance in order that it makes you more profitable. So that you are not like throwing materials away and wasting them, that type of stuff. And you're more cost effective you can get more work by you know, you don't have to allow for so many skips and things like that, when you putting your tender together and your price together. It's all is an ingredient into making the business successful.

Q: So you appreciate quality of work. So let me got to my last section, where I'm inquiring into EFQM frame work, European Frame work for quality management, now this framework have you heard about this frame work

A: No.

Q: How do you manage quality in you sites?

A: 1.15.37 Ok, Firstly we say that we will work to a standard of work that complies with BS 8000, which is the recognized standard for the quality of workmanship on a building site. It's rather interesting; that I ask people when I'm interviewing them, whether their companies are quality assured because

this is a quality assured company. Quite a lot of people tell me that yes, their company is quality assured. So I said, well, what's your quality system based on? And they say I don't know. So I say you know what BS 8000 is? And I would say that only 5% of the people I interview knew what BS 8000 is. Now I find this lot crazy because BS 8000 tells you, what you can and can't achieve in construction in the various trades. So I say to people, well, if people don't have a quality system based upon BS 8000 then what's it based on? You know, you might look at that wall and say it's nice. I might look at it and say, oh it's horrible. Now BS 8000 would tell us whether that wall is acceptable or not. Because it gives you a guideline and so it would be able to arbitrate between whether you are right or I was right. So I can never understand these companies, that don't know what BS 8000 is. What is your system based upon? Well it feels all right or it looks all right or its near enough, well that's no good is it? You've got to have some yard stick, some basis. But our system is based on BS 8000 and I say we will always give you work that will comply with BS 8000, if you want it to exceed what BS 8000 say that I can do. Then I can't do that without you paying me something extra. Right, so we've got a basis for it, that tells you what you can and you can't do. So then we have a series of check sheets. And that if we're using housing as an example, there might be 10 check sheets that we go through in the process of building a house. So we've reach the point where the foundation are and we have this a check sheet with checks of and management check sheet. They check the foundations for housing number 1 are OK. In that we say BS 8000. When that check sheet has got ties in all the boxes, then we move on to the next stage of the operation and if you went to one of our sites you will see a quality board up on the wall and you will be able to see precisely where the site hasn't done its check sheets. Because it's all up there to see. And people don't move forward and to the next operation until the operation that used to be inspected, signed giving OK and that means that we monitor the progress of the work and the rest of it, when you get to the end and you are doing a final....then all the stuff done before is OK. The classic situation is, somebody fix up window board at a certain level, the plasterer comes up... He plasters the window board in. the window board had a level, then the painter comes in, he paints it. The window board had a level and then when somebody actually comes to try to do final inspection or something. He say the window board it is. So you have to repeat out, push the plaster, you painted it and the Some builders are not like that but we don't. We work progressively through and I went to something to see something that let me theimpression of me. You go down the M34 and you are heading in the directionas you are approachingon the right hand side, there is a factory ofI went in there to see there quality in system. In

there system is they have this production line and that different people are assembling things, photocopyers and then moving them further on down the somebody else and somebody, if I the operator number one or assembler number 1 say I have a tray of materials, my... assembling number 1 for this ...and I assemble it, and if I have 1 screw still left on my tray in thenSo that copier doesn't go down the production plan. It only goes on to the next assembly ...[when all the nails are gone].... He only wants to screw, so never mindBecausetostill left there. That screw should have been there photocopySo that's their system they are operating , pretty good andeven if we get right to the very end and if the last person assemble it still got the screw on their tray and it comes out . Then we have another system as well. Which its got right through to the end of the line. They have a system where they say right, I will have that 1 there and we pick the one out, ready to go into this box. They say and we check up through the random check. That's fantastic....and every time you buy a of photocopy, you press that buttonhigh probability of the work . We can imagine that no body bothers and thethat give you like ...by the time that copier gets the end of the line ...

Q: Yes it is very good but the problem but the construction industry doesn't work that way...

A: Of course it does. That's why I said that all these people that, I think that its time to inspect it all is at the end they are not. But the time to inspect is ...and I used to say ...like this room is being plastered and I say to some managers, how do you know whether this room, rather than plastering this room is right. They say me, well I'm coming to this room several times to check on things I just sayWe don't actually look at that reveal there and see whether its,...and they don't , Now our system says that at the time you do plastering you inspect it after plastered and then you to coming to this room ...will tell you to , check that, check that, check thatand if youthen you get and because reveals are supposed to be like that right angles and not like that as the window unless you reveal and not like that and goes like that ...and then when you put the paint on it , its right , its interesting and then and when I got to my site in my random check I always going to housing being plastered and I take a look at these reviews . My old reviews ...now if I say a plaster review and its like that and still like thathang on a minute, who has checked this. This is rubbish and then I 'm back tomy trusting people because I know what we do , should have been checked and it wasn't . I employee people to do all our checking so at the end you need to do the job right and that's why all these mechanisms are in place and most of our work comes out on time right quality and within budget.

Q: That means good management after all...

A: For example.....back to people paying Monday or price ...because the industry can't be trusted, to do it right all the time , when sitecertain size needs a person

that does nothing else keeps checking on the work because there are so many rooms, so many houses . Now if somebody wants to take cheapest price all the timesay well I run the risk and I want pricesupervisor checking the work all the time and that client need to be proven it because, you turn to cheaper price. That contractor is going to run the risk not the certainty that I'll get and thethey say blaming I never got my houses in time. The quality was

Q: You have to pay the money to get done a quality job...

A: They are delivering their work on time. Its quite interesting we went to a meeting with one of our clients and we know that housing association clients has to achieve completions to satisfy the housing cooperation requirements and in talking about what we do and then this guy said we can always rely upon contracts that [company H] is doing, because if you say you are going to give us 20 houses by the deadline. We'll get that 20 houses and in one instance we ...somebody came towards and say another contractor had let them down by for example say 20 housesand they came to us andis there any chance that you can do 15 housesI think that's grate.....I2 be all right , so...Another interesting thing I'll tell you about is, I interviewed somebody and he was working for a competitive market and he said when hewhich is why he wanted to leave the company and ...some where else . In the start my assessment of him was , he wasn't experienced enough to be doing the job.....and that was one reason why he was out of hisin the job, he was out what he was doing . The company is still...and he also said that he was the 9th man because the sub-contractors wont do the work right and they wont go back. Because

Q: It is his responsibility to get the work done.

A: Of course, so I said to him, alright. Give me some of the names of the sub-contractors here are being difficult with. So he told me all the sub-contractors' names.

Q: But they are your good contractors...

A: No, I was in the opposite. I said , That is really reassuring me, Because none of those sub-contractors are giving you all those partsmy supply chain ...I said thank you very much for telling me all of the names, because I'll stick with my team, and I wont believe all those... That people over there, my competitors are still with people ...I'll stick with my people and...

Q: Now this framework [showing the diagram for the EFQM framework] is actually another alternative. This has originated from the Quality Management Framework. So they use it in many large scale contractors. My reason to tag it along with my research is this, now the areas which are coming under enablers, are really useful for construction. So that is the only reason. Now we have discussed about all these things any way not with this particular name tags. So what do you

think if you need to improve your business, if you look at all these 5 are you going to pick some of them and improve your business or you select all areas and...

A: I would say that, my business improvement type will probably know all of that. I'm always trying to improve these people here.

Q: You find all these are not very important.

A: Yes. Because these people control the process and we have lots of challenges and these are the people getting the people to do things right and manage the processes right. They are the most important thing people.

Q: So leadership isn't it worth while...

A: So I'm the leader here

Q: So your view is important here isn't it?

A: Well I'm taking that and read that I mean, yes. Your leaders got to be in right track. As I'm the leader I lead that alone. Because I come from my results, I know that there are lots of people out there screwing up. So it's growing up, so probablythat is the category that affects me the most. I can tell the people because you probably gather how to do things in a more professional way. But whether they will good enough to do it, that where they look or they may hate it...they ...I think good enough the great... they look, if they are really as that good ... they don't like it

Q: If I ask you, your personal view, what about the level of the company which requires a business strategy? In other words when you have business strategy at which level it will be meaning full to a company...

A: 1.34.00 Well, your man at the top needs to set the strategy. Because you've got to concentrate on doing what you are good at and if you are going to throw your hat into the ring for everything, whether you're good at it or bad then, that's not a very good strategy, is it? You have to concentrate on what you are good at and if you find for whatever reason that you are not able to do a certain type of work well, then generally the people you have employing are good enough and doing that particular type of work and then you've got to make some changes, in order that you can improve yes to be able to then, pull your socks up in that particular sector.

Q: Now with you going back to your overall experiences, you have worked at different companies likelarge construction company. Then you said Piper, a smaller construction company and [group H]. I don't know exactly where to classify this company...

A: This company gets 160 million pound turnover. So we are a medium to large original contractor.

Q: OK, so this business improvement or strategy of business worth while for which type of size of a company?

A: Well it's needed for all companies. Whether the smaller companies are able to have the finance available to be able to best in it is questionable. There if you look at Pipers, Pipers would not have the ability to what so ever to employ a person like [interviewee H2] like we have. So the improvement in might be in that the small company are directly dependant upon the caliber of the people the few people when the business is running it. And I know that the ability that I had to be able to improve the business at Pipers was much less than the ability I have to improve the business here at [company H]. Because you've got people like [interviewee H2] helping you, who is only task..... like to concentrate on business improvement. So you can make much more improvements in your performance by the company being larger.

Q: That means for construction personnel there should be some commercial type of people helping to improve their business, is that what you mean?

A: After a certain size say everybody has different markets dominated. Now this company is of a certain size is of a certain size where only certain small contracts would they undertake. Whereas the Piper construction undertake a lot of contracts. So as a client if you got a small contract you wouldn't really come to somebody like [group H]. Because [group H] have got their size set on larger value contracts. And then we have to say but I'm sorry, we can't devote the care and attention to your 300,000 pound job, because we are working on jobs that are 2 million and so there's.....Of course they would say there are companies that undertake such jobs. Now it's many times said ah yeah Piper construction is a good little company and if you want a half a million pound extension doing to a school you'll get a good job from that small company. If you want to come to [company H] they might say, sorry we might not get the facility at the moment to be able to do a half a million pound extension to a school because the company has moves forward, yes when this company would only doing 13 million turnover, we would have say yes, we have gone half a million pound school. This company has moved into a different level. And that's the beauty I suppose in the construction industry. You got down here like 5% of this world where there is market for what they want to do. They've got specialized in their market and you gotcompanies what they are doing various size jobs. And then you got Balfour Beatty is building a 570 million pound new hospital at Queen Elizabeth and a hospital in Birmingham, now we couldn't do that. Certain parts have2 and half million extensionsskills. Now there is a market place over there for the schools that ...half a million pound extensionwant to do . There is market over therecompany likeand if I want a 50,000 million pound extension to my kitchen and the market at there, where people aremillion new hospital in Birmingham.

Q: So what do you mean by business strategies are different and according to your understanding with your past experience, you think there should be business a strategy for any company?

A: Oh yes. If somebody at Piper wants to move to build 570 Million pound hospital they would have to do, have a strategy to get there work done, their ability to do it and they probablyBecause it's like try to walk to the moon for them. So it all depends on the individuals and the decision makers ...who is the ...of Piper only want to ...satisfy certain things ...wanted the company to do and he ...want the company to be ...moving forward any further... here the peoplethe decision makers want this business to be progressively grown at average of approximately 20 % per hour as a business strategy. So they are seeking to that and if a decision is made I need to have one of the divisional directors that. I need to have another marketing person .In order to achieve that strategy set by the man of the top or...Then I would have to put that ...and what sectors are we going to work in and if there was for example to be no more houses built. Then where's our markets going...

Q: So are you looking for opportunities to farm a some form of a marketing strategy?

A: Oh yes. Its got to be like the big driver for a person at the moment in my sector is ...say they need a lot more affordable houses to build and several thousand houses are supposed to be built over the next few years

Q: up to 20015...

A: So how are they going to do that, now they are going to do it by giving more funds to the housing corporation, so that they can give more funds to the housing associations. So that they can build more affordable houses and in this country

Q: So you have a long-term contract with the housing associations?

A: Yes, because I'm in the frameworkSo I'm well position now to capturingof the market place and when it moves forward. But if for example, ...and the policy changes and they say "oh we don't want to build any more house any more, we want to build prisons "

Q: Then what will be you strategy?

A: Well my strategy is ...because I'm a housing manager. So somebody in the [Group H] who is in do building prisons is ... Because this says well the other one wants prisons so I'm glad and I'll get more work done and that's because rather than the strategy at [Group H] is not in one basket and therefore if my work will gives ...and somebody else might come up . So at the end of the day [group H] as a company right through... different way.

Q: Right. Thank you very much. It really helped me to get all these views. Now I can say this interview is quite resourceful for my study.

Stage 1 – Interviewee J1, Company J, 2007

Q: Good morning Mr. J1 and hank you for giving me this opportunity, lets start...Many people they like it but, everybody whom I have been to nobody said any thing bad about the industry, but the general perception of the construction industry among other people, outsiders is pretty bad because they think this is not the industry that you should get into or something like that.

A: Because its vary in type ...I mean historically the poor achievers in school will always going to the construction industry, you know the guys that fail the exams, perhaps so they become a plasterer, they become a bricklayer, they become a carpenter. Somebody ...any phenomenal guy ...if you qualify, if you are good at what you do, today he is tradesman you can name your price.

Q: It's really scarce those type of hands on work talents...

A: I'm paying a 1000 pound a week for a carpenter I need. That just amazing, if some of the kids leaving the school would see that... We all go to work because we have to ... You got to enjoy going. You don't enjoy job, if you shouldn't be there. If you don't enjoying job you shouldn't be like that .If I don't enjoy doing this job. I'll stop it I'm going to do something else. Because it annoys me sometimes ...It's good. I'm a sort of person that like people would come to me and say , By the way I do quite a lot of work on Microsoft project , funny programs and things like that . Becausehow to learn it's probably all come to me. It's good you push yourself to learn and you can help them learn. ... So lots of issues if people coming to the industry, think it's a poor industry. It has problems.

Q: Yes every industry has its own problems.

A: I mean there is a lot, that's somewhere ...within the industry. You know these people run the jobs, not enough people to go around. Tradesmenand managers...

Q: The relationships are important

A: Yes the relationships were changed, I mean in the last ten years. Some of the companies worked up 10 years ago, couldn't do these sort of things they did then. Now with their sub-contractors and as their advisors, they can treat a lot than ten or fifteen years ago. They would have work again, people won't pay, people need paying to account to business. Of course the many companies that have different sectors of contractors for one job. For all....money and contact. For the next job you got another set of contractors and another set of contractors for the next. It's not the way to grow relationships.

Q: You have to maintain the same people knowing there limitations their capabilities and build on that building that relationship towards more profits

A: You run out people in the end people, reputation in the industry would sustain, people would just disappear and going work somewhere else. It's been a massive

....change, something that people like me as the contacts manager ...actually have to learn actually a lot because we can't share ...and all

Q: Yes, They have enough places to go

A: Yes we work down for another or more. I started work in 1974 ... I was the youngest one in the class. So I started work as an apprentice 1974 and I can remember the general Foreman and they were called site managers and the site managers .I can remember the general Foreman, resigning and going to work more money and that lead that once in a months time and then it come back, it just happened

Q: One is not that much of resources and the other one is, all these companies they have some supporting programmes to maintain and retain ...

A: Retain and develop I think. It's still not quite...in the industry, but almost the biggest thing in the industry is agensis. So we use the agensis ourselves....in a job with the agencies. So we win the agensis and try to get interviews from the agensis. You know they got a foot in the door of another company. So that's all good ones. But then youif you need any staff, you can need labour

Q: Its like middle man

A: Yes, they are. They're going to get a profit.....But the industry changes dramatically. I don't think they have ... is the biggest growing industry in the country I think and labour intensive industries of course with lot of problems.

Q: What is your idea about partnering, now shall we start from this sector then I will get to those

Q: The company structure you can tell me a bit about your company structure

A: 13.50 Bear in mind I'm not a director of the business. [J] group, they were established in 1959 by [Mr. J] who is now the chairman of the group. The company s split into 4 companies within the group. [Company J] Construction which is what I work for. There's [group J]'s Special Projects which is each doing projects naught to a £ one million. There's [group J] Strategic Alliance which works on a 10 year framework agreement with the prison service and home office. And now the [group J] Development we've just set up a development company. So there are 4 co-divisions now. All reporting to the same board, which is only been like that for 12 months now.

Q: So [Company J] construction doesn't have its own board of directors?

A: No, doesn't have its own board. They all report to one board. That's something ...that's something I'm trying to push the company to have, because I want to be part of that.

Q: Because, construction, development, strategic alliance -their fields are not merging like they need some way but the main body of work is different to one another. So to manage by one central body, there can be some conflicts.

A: 15.28 There is and to be honest with you, we're all supposed to be individual divisions, with no cross over from division to division. When you get busy that doesn't happen. You know one calls on the others resource and ask anybody spare can you come and help us. Which isn't going to be totally independent. With the difficulties we all work in the same building of course so it's easy just go down the corridor and pinch John to this job and that's what does happen. But it's a learning curve for the company. I mean I'll be with them for now 3 years and when I joined them 3 years ago the turnover was about 15 million pound 3 years ago.

Q: Is this for construction or the whole thing.

A: The whole thing, well we wasn't a group then it was just [Company J] Construction Limited when I joined them. 3 years later the turnover for 2007 just finished was 43 million.

Q: It's a big jump...

A: Not only is a big jump in turnover. It's a big jump in staff to do that turnover. So you got all those problems with new staff coming into the business generating higher salaries. Because like me people won't come into the company for the same salaries as other guys are earning. So that causes friction. It's got its own problem for growing. Historically [Group J] were a local family business.

Q: Just like any other construction company

A: It's still are a family business with the [Company J] name, 4 of the board member are the [group J] family members andand lot of the staff that work there were quite happy doing 10 or 15 million pound turnoverThey didn't have to travel too far from the office and how we going nation wide. Which involves quite a lot of traveling. Lot of different people who don't want to do that. And actually who can do it, because its not easier to send a site manager 2 hours away from the office to go and build a job.... which you just finished one and we didn't put the right site manager on the job. Because we hadn't got the right site manager to do that job. Which is really, poor planning from the directors' point of view in my opinion. I tell them. They tend not to listen some of the things I tell them. Because they are probably never experienced it before, and I'll I confirm the background of working all over the country anyway. So somebody says to me you got a job in Scotland, you got a meeting tomorrow, I go, or in Manchester. I mean I can remember 1 week when I was a one week in the previous company, in Scotland 1week ..., next Manchester and ...used to do in that, you got to make sure that your staff putting for that

site have used to it and the sub-contractors as well. You know historically sub-contractors used to work within 15 miles within Birmingham (small area). So, [company J] as they're growing are experiencing growing pains. It's good for the future. It will be I don't know where it's going to stop actually but it's like keep growing. It's developing some of the sub-contractors with them. I think some of the staff as well are having to change you know530 members of staff now. Which is going to be a massive job, in people4 - 5 years ago... where the directors there now... you know... they were the contract managers 4 or 5 years ago and...

Q: That means they have introduced another tier of management at the moment

A: They have to, because there is no way without beingdirectors. What I am telling you is a secret, that I haven't told them anyway, that they are not professionally qualified trained people to that role.

Q: They are qualified to do a job in construction, but when it comes to that level, you are correct, because you need lots of other knowledge...

A: You do have in the discipline some, each know little bit about everything and you don't get that work in a family business and they haven't worked for any other construction company such that sort of ...

Q: So they don't know the set up...

A:it happens in family businesses because they ... they are not used to this management roleneed to implement and in particular, again when I have been on ...2 directors I think were strugglingand unfortunately 2 of these directors are department heads, one is my boss and the other one is the boss of estimating, and I think that's stupid.

Q: To adopt to the new role...

A: They have people like me working for them really and we probably think know what they are doingThey are restricted where they can go

Q: Aren't they having something like that... When they climb a step to take their people along with...

A: Yes there is a massive training program taking place and they clearly didn't have enough staff. Because they never do a... that sort of increase in turnover. They are bringing people in and the benefit of bringing people, there are a lot of people already got this training and already are used to work in companies and bigger companies and understand quality assurance program and internal procedures. I mean for years [Company J] didn't have any procedures. Of course you got a job for building. You got to put a structure in place, procedures. I think we have a very good structure... I think it need to be developed and we have procedures. Procedures are written by very good guys. Lots of flows in the procedures.....get better and try that's quite good.

Q: Is his designation is business manager or something like that...

A: Actually his designation is health , safety , quality and environment manager. That's the title. So he has to ...all 4 Despines . He cant so he has got an assistance now and there is another one to help him

Q: At least 4 of them have to be there

A: of course that's the company approach you don't have all those people in place straight a way. You probably try and get introduce another one, but that increase the overhead . Which means get generate more turnover ...No point in doing turnover, you must make profits

Q: Specially when it comes to a family company profits are important.

A: profits are very important and they are a profitable company. They are doing very well...

Q: Is there no person who is in charge of developing the business at [Company J] right now

A: **23.20 We have a business development department and there is director in charge of the business development department who reports to the managing director. I think the managing director probably under instructions from his father as chairman together with the financial director are probably the 2 people who are trying to develop the business**

Q: Rather than the business director

A: I think the business development director is there to generate work within the business

Q: So it is not the plan or the, forward thinking is not coming from that. It is coming from chairman

A: Yes, I think so.

Q: So that means the strategy the [Company J] is working on, if I tell you its completely profits. Is it correct? Or are there any other things involved here

A: I think I have to make a profit. I am not quite sure what beyond align and trend is, trend might not be the right word. I'm not sure...

Q: The principal

A: I don't know the align principal... is and they are a very good employer. I mean me personally no one negotiate my own words anyway. My package is very good and equally other people got good packages within the company. They seem to be a good employer to work for. They have an aspiration by 2010 to achieve a hundred million pound turnover per year. That's the business plan, that is the strategy

Q: It is then we can put it as a company which is turnover driven

A: No, I don't think so. I think it likely to get to 100 million pound turnover .

Q: Which way, what they are looking into, how to achieve that 100 million turnover. Are they specific about certain sectors?

A: Yes they are. They are considering about the four sectors that we have now, there is another one coming along which is an acquisition....or acquisition of more

than one company, that is going to generate immediate turnover over to the group . It is probably the secret knowledge of the minutes. But they are looking to buy...

Q: Another small contractor?

A: I think 2 other contractors, from the information I got...

Q: Not in the same area, somewhere around

A: Yeswhich is not an area that we are specializing in. We bring people in to do that first, but I do know them and they are talking to the people. You know companies doing 12 million turnover or £15 million turnover, without a regional office somewhere around, which is... that's the key... I think something like an office for a regional office somewhere away from Birmingham. Our directors have been to Manchester ...to have a look and see what the situation like . That's the next step of thing

Q: That means, they are looking into the market. They are looking into the improvement turnover as well

A: Which not coming from the business development side. It's coming from the top.

Q: OK, so that is quite different. Like most of these family companies profitability turnover is still an important things but there are other commercial people who are looking in to the market opportunities when they decide how to build on that profitability, but here I can see its coming from the top straight away...

A: I think so. I mean I very rarely speak to father. He only does half a day week, up to now he was working part time. But you can still see, he holdsyou can still see that

Q: One time people were not delegating...

A: I mean our managing director is a very nice guy. He is the accountant. So being qualified and then come back to the business, which is very good. He is the only one out of the family directors.... Now I think it is a benefit to him really to do that. Now I have a lot of time, respect to him.... giving me a job, but he has lot of drive and lot of ambition, as the managing director where as I think the construction director and estimating director are the next two tiers of management, that I report to.

Q: They don't have that aspiration?

A: No, they got the job, they got nice big houses, they drive nice cars, they have nice salaries and they're doing very well, and I think they are quite happy ...

Q: Where they are... they don't have any attachment, something like that...

A: Yes I also think that they are struggling to take it. They don't know what to do now

Q: Because they have achieved their maximum then

A: I think they have passed the maximum to be fare. I think they have already gone plus. They have already streams of.....I think.....father, must be really exited about

that or really to his business started 1959 with an extension on somebody's house. Now we are among major players our turnover now is, greater than the regional office is ...all the national contractors. Our turnover isbigger than all. So we are a major player now and that is showing, a lot of inquiries coming in now. We just secure the biggest job that we have to secure. The new Diabetic hospital ...which is which 8.9 million which started last Monday. Which I'm doing fromand it's the biggest job [Company J] has ever done. They need to start with more of the jobs and their clients can see do those jobs and they need 3 or 4 house a year.

Q: Then you have a big task a head...

A: Specially when ...situation. Its quite difficult to 10 years to gain ...work ...and the discipline were set out and the big boys We weren't work for the contractors

Q: Right you have always remained as a main contractor in the industry...

A: Yes, I can't think of a time where we haven't and I don't think they would ever change that

Q: Yes,, now it has already grown. So there is no need to...

A: I don't think we rely on another construction company holding the ...and I think it going to be a problem...

Q: If I ask you how much of work you sublet. Now you are working as a main contractor, that sheet has been already filled...

A: Yes, I stretched it up to 4 groups actually, with construction is 100%. We run construction as a management discipline.

Q: That is one thing I wanted to find out, now many places where I have been to, I have come across that. You sublet lot of work. Still you are classifying yourself as a major contractor in the industry. But ultimately when I do my research with you all, you are all management contractors to me not fulfilling the roll that contractors used to fulfill those days.

A: I agree, change isn't it...

Q: Yes.

A: We started different...

Q: Yes, from project to project

A: 31.53 In construction it's definitely 100% across the board every thing is sublet and we manage the process. In strategic alliance it's 100% percent sublet, in special projects it isn't. In special projects it isn't, in special projects we've got our own directly employed work force

Q: You still have certain skilled workers with you?

A: Yes we employed bricklayers, carpenters, labourers.

Q: On permanent basis or temporary.

A: Permanent. Plumbers, carpenters and they still use them and they must be between 30 or 40 of them. I am not sure exact figure, between 30 or 40 is what they employee but there are any guys ...local. There any one to work with a small

company and they still have to bring in painters and floor layers , ceiling fixes and mechanical engineers , electrical engineers. So it's the core of the traditional trades that we employ. But we only use them in special projects which is over £ 2 million, when I join them 3 years ago, they were doing workto £ 300,000 really...grow as well to increase their staff.

Q: Now when you are working you said you have capabilities of working everywhere, not like other regional contractors. So your workmen are they going to these places, your specially skilled people or you have to employee locally temporary basis.

A: Well it depends on which division as well and Princeton our special project division. ...They prefer to keep their same contractors. As they were doing there job....expect Birmingham contractor to drive ...drive back at night or drive tomorrow ...whereas we as contractors, we trylocal specialist subbies.

Q: So that means in your case in your division, in construction division you maintain supply chain based upon that locality factor.

A: Parts of it. Yes.

Q: But the special projects, they have a rigid supply chain where they always go with that object.

A: Normally, Not 100% at the time

Q: Majority

A: Yes these are the occasions where their guys are too busy, the people that you like to be are busy or they don't want to go here. So they have to go there and they have to try market...

Q: But that is second choice always

A: 34.55 First choice with construction, is strategic alliance is different actually I'll explain later. First choice is construction depends on where the job is. For instance in Hartlands hospital, we will try and use local sub-contractors. But because it was such prestigious job we got contractors from all over the country writing to us now. Can we come and work on this job and can we work on that job and if we were doing this sort of job. I mean we got a job coming up at Southampton. We are not quite sure whether we will win it but we have almost won it. Which is couple of million pound office block to build. Now clearly we won't use Birmingham labour. We'll be trying to source the labour from Southampton. The difficulty is we don't know anybody down there and they don't know us. So that's the learning curve in it self trying to find specialists down there. So we know full well that we are going to be sending some people down from Birmingham because you can't find everybody down there, management included. Do we employ somebody locally to build it for us as our site manager or do we send one of our own guys away

for Monday to Friday and he comes back at weekends. So that's the things we look at I don't know which way we're going to go yet.

Q: So when you are tendering for a job you don't look at those things?

A: Well, we have a problem with [Company J] and I want to get promoted. I personally feel the level of management is missing within our division. We haven't got our construction manager who has to coordinate all of the contract managers and project managers. We have a construction director within our division a family member and I think he doesn't have the need to do it, doesn't understand what we need. So there is a level of management missing. Now this construction managers role is already a concern, with the investigating procedures at the tendering stage to actually sit down with the estimators and discuss how they're going to manage the job.

Q: That is very important

A: We don't do it and it is one of the major failings and that again that is my theory. I have a theory what we have to do its because when I join here 3 years ago I was asked to do that role . Because I enjoy doing that I like looking the jobs at tender and I... involved in... going to the site and meeting the clients and I introduce tender programs and so that ...tender risk assessmentenjoy doing that because I was picking thewhat they are doing I chose to ignore it. Because they felt a threat... They thought I was threatening their position. There is a director estimating director who is a family member, who never being challenged before on the way pricing jobs. So ultimately he has controlled 4 or 5 estimators. He won't do anything. He instruct managers ... not the right way to do. He doesn't let them ...I need to manage my own jobs. So he manages their jobs. They didn't listen to the things that I would tell them the job need. I would tell them ...

Q: Now you are coming from the construction field. You have the understanding more than the estimators at pre tendering stage which is quite important, where you can maximize your profits.

A: It is yes. I do agree up to a point with...we loose the job sometimes. It is very difficult. I mean, I'm the biggest critique ...the estimators ...the way that some of the tenders put together.

Q: You wont get the job...

A: But they have to win the job first. So as I am grown a little bit, I understand they got to win the job and then we as a construction team have got to build it before we got in. But the problem is I think we could be better and if I was in his role investigating procedure where run tender settle meetings, somebody present from the production. They has to be

Q: The reality has to be understood at that stage.

A: If the directors chose to ignore, what the guy from the production is telling them as their decision, they can do that. But should have the opportunities to it and I

personally feel that not happening at the minute because I still feel I was a threat to them and I still feel that now is that the reason I'm not in the minute... because we did ...something... But he haven't got the job. He has the title not the role. Now I got a little ...I broke down all the things that this role should encompass ... the minute until somebody calls for it. But all these things need to be done now. But I think ...the company growing. They never have been their before. They have never been used to it. I think the next step of 40, 30, 50 million up to a 100 million is a massive step and there is a few more changes. There has to be more changes

Q: I can't understand the company has the ability to grow. But they don't have proper business advice from outside isn't it. It's all coming from the family member's point of view still

A: 40.31 I don't know. Wouldn't like to say. That might not be right. They might be taking advice externally

Q: Not the in house advise, yes otherwise they can't grow that money

A: I don't think they are taking advice in house. I think they know where they want to go... They are focused where they want to go but I feel that they should take more advice from the people that work there.

Q: Inside, yes. Actually that is very important for their growth pattern. They need to know the pros and cons happening

A: I think they have listened up to a point, because we have several discussions about people performing by the wayThere are lot of people..... company started before I joined them and are happy with the growth. They are ...happy

Q: Because they have use it to a certain set up, now it has growing and changing

A: Better people ...Different people are coming in with different ideas

Q: They will... there is no body to address that issue

A: We don't know whether with human resources department. I think it's the next thing on the agenda. We start talking about ...training course ...somebody said to me what is the optimum number of employee to have before we need to have human resources department and nobody really can figure on it. Was it 100 was it 250, 300? I think we are at this stage now, where we need one now where we haven't got one. The guy in charge of human resources is the director at the ...and the financial director and he can't talk to people...

Q: Yes. It is a separate area, the finance person cannot be all good in human resource because it conflicts his interests.

A: But it's not going to happens straight away. I mean the company is being developing for the last 10 years really developing probably more than last 5 years. I mean in the next 3 years its going to be a phenomenal growth in the next 3 years ... quickly and control it.

Q: Then there the drop can be really dangerous.

A: But you know they are very healthy financially. They do control the money which is very good. They handle the entire money situation which they need to maintain. It's interesting actually whether I stay there with them for the next 2 or 3 years

Q: You should be the minimal.... You should be happy first of all.

A: I think, I mean I haven't got a problem in the package. I'm very well paid and again I'm doing...

Q: That is not the only thing

A: I want the job satisfaction. Where I am and I can't say... coming where I am. And I'm not be paid just to stay ...and I want to be in that role ... I want to be in that role for the time off and I can't say its happening where I am. So I'm thinking what to do really. If I wouldn't be unhappy, I don't think doing what I'm doing...

Q: You are happy about the job. But the place where there should be some form of satisfaction coming to you

A: I've got a lot to offer actually. I'm bidding these industries since 1974 learnedactually and I have worked with some really good people. I would be ashamed not toused

Q: Your knowledge for the benefit of the industry...

A: Yes, I think so. I think I have a lot to offer t is in my role as contracts manager, whatme I've never had an assistant. I mean I have been contracts manager since over 27.

Q: That is actually at the start of the field like...

A: Yes. I mean, site manager before that, working former before that. In my role as a contracts manager, I've never had or never been given the site manager that wants to ...to become the contract manager. No one is set to me training. Here you are, here is the next contracts manager teaching how you are doing, no one ever said that

Q: May be that is something that they have to investigate in the industry, where it is leading towards.

A: What we do find every now and then you got a specialist sub-contractor, who ever it may be a clean room ...specialist or ...company. They tend to have assistants and assistant managers. We don't and I have not seen it within this industry anywhere...

Q: Actually contracts managers position, it's not a well defined role like a projects managers position I believe specially in UK. In America it is slightly different. They have a job designation going with that. But in the UK I have not come across that contract manager's position...

A: It's a funny position to be in because we are responsible for everything. The difference..., again the difficulties with [Company J] is whereas I 'm not responsible for the surveying on a job. Surveyors do not report to me. That's

contract managers or.....responsible for the project and they don't report to me. They report to the commercial manager. And then the commercial manager doesn't report to the construction director. He ...goes to the managing director ...strange...
Q: Very strange.

A: That's one of the difficulties in my job. Where a Surveyor work in my job whether it needs to behealth and courage. Whatever you want to do to it. I've got the power. If he is late in doing something... All I can do it is ...a better nature Come on Mark do this, Come on Jane do this. I can't say you will do it. I have no power over the surveying. That's not right I don't think...

Q: Yes. I think as far as you are doing well it's OK... But the moment and I can see in the future the situation to change, chances are more...

A: Yes, I think they are and we are doing well if they are gaining a really good reputation within the industry and people do come and work for it which is good . People want to stay there. I think the pay that [Company J] are the better. The mostbetter than ...scheme and all that pretty good. I mean there is lot of good things. But on the ... behind the seen need to be looked I think.... They will be looked at and they ...or it will be serious problem and I'm not quite sure which ...

Q: Yes. Because at this stage the way you are describing it is quite volatile. They are looking to expand. But they don't put up any measure to support that expansion at the surface

A: Not enough. I have got to otherwise ...major problem.

Q: Now the surveyor's problem, now that he is not reporting to contracts director. It's a serious problem. Because they have to get together, the job is done at the site. Every bodies input is important there.

A: As a contracts manager I do a lot of ...sometimes a lot of ... What I do is I have regular production meetings and ...4 live sites at the minute ...start in January, 2 more to start on march ... Now the turnover for those 4 job is about £14 million on the four jobs. Which is more than anybody else's ...the place at the right time. We try to keep the same contract manager each contracts, manager he same as we can....

Q: It is good the relationship that we want

A: So that we do that if we can. So I try calling regular monthly production meeting with all the staff on a project.

Q: Sub-contractors...

A: It goes internally. I mean internally sub-contractors; we do that separately with the management on a project with the buyer, with the surveyor, with the site manager, with the project manager. Whoever is involved in the job, we call a meeting for them, set agenda and we discuss the job. Whatever we are doing where we are going...Are we on time, why these orders not in place ...etc. etc... It's really up to the contract manager to do that. If you want to do it, you don't have to do it.

...actually want to how you providing what you do when you trying togetting you reputation. A lot of people...

Q: When they are just job oriented, they don't want to do that

A: That's right. This is bit of a providing what you do I think. They have to be providing what you do and you know the job is finished, the days finished. It's a fantastic field.

Q: Yes, because this is something you can be... any structure. I don't think it collapses before 50 years.

A: You know my ideal of job for me. I'm not going to do this. What I want to do is to going.... project managed.... in the ... Well what an achievement that would be. You now it's got to be done, ...has to be done. It cannot be right.... You know that... You are going to have enough resources you ...enough people ...and what is sense of satisfaction when it is finished, any difficulty, whether it is to ...have to work there and come back to week endsand ...want to do that. But it's a one in a life time experience. We have ...now I spoke again to delivery authority to see what's happening with the agency the...investigating ...lot of things sent to me. But if we're going down there... Now I don't want to do that. So that would never happen.

Q: But it is a great chance for a youngster.

A: A challenge something like that sort of has to be, they got to be very pride on what you do. What is to do ... Many years ago I used to comeall the country any where...4 weeks. We've get 6 weeks to close the completely got it. Start again but it got to be opened. It has to be opened on Sunday night, because the ... at Monday... the Saturday and Sunday before iton Monday afternoon.....achievement. We all sit together, we have done it.

Q: It's a great achievement. Yes, that feeling

A: You might think go home and get away and ...We put that right next week. But to actually get there, you know the first customer coming there at 6 o'clock ...or putting carpets or something silly like that and what an achievement. Its fantastic, have to be pride on what you do.

Q: That I think not with many people nowadays, they want jobs... That I don't think...

A: No because it is a job of many people isn't it?

Q: Yes, but same time you need to have that... some self satisfaction also in your job.

A: I wouldn't do it...

Q: ...if you are not happy with it.

A: No, I do something else.

Q: Yes, that's true.

A: The problem is... need some thing else, I'm not sure that get the same awards doing now ...I mean I look to be...

Q: It's another great service...

A: I was sick when I am getting the crisis

Q: Many people are not...

A: It's a problem on a site how do you deal with it and I always enjoyed being there to rescue people and I think the job is...I went to it 3 years ago. We decided not to. But we can decide we are going to it now...Then I'll have to halve my salary and start from scratch. I think that may be done then from tomorrow...

Q: You have that option

A: I think I would. But I won't do it ...but my choice.

Q: Yes, I think that caliber is very important in construction because you can't do anything when you get...

A: We can't I mean... hard work with many people. I remember my boss and I, we used to work in a company in Nottingham. We use to running round like a headless chicken, can't achieve anything. It went around for a while. But it still does the job. Many managing directors ...some burden....nowunless he is doing well for himself ...Because he was live on the edgeJust a problem. He always has problems.

Q: Yes, everywhere not only in construction, every where, every other field also you get, even personal life you get lots of problems.

A: On the way this morning you know these 2 or 3that job right you wouldn't be in this situation. But may be ...may be forgotten or ...think that ...have to do it, may be forgot. Something happened with one letter, didn't go and this one letter caused the problem on another job.

Q: It's possible because, everything is connected to one another that's what I was saying. Now these estimating and construction, if they try to work on there own like, it's not very good for the company.

A: And also that situation is well known in our company. So if you make sure the discussions take place away from the office ...people get involved... I don't think it is going to hold the company back and it may not.

Q: Yes, work is there for the company... it's not right ...for individuals...

A: No, plenty of work ...the company I think...building the reputation when you get the work anyway. But I think I have worked with small companies, big companies, medium sized companies and what I can see from my position in the minute, it is just rolling, because they are going into areas, they have never been before and don't know what to expect, don't know what to experience.

Q: This construction industry is quite unpredictable. Lots of uncertainties are there so, specially when you are going to completely a different area. It can be a small

geographical difference even. But the construction has to be in line with that geography

A: Yes, that's quite right. I think the biggest thing we find today is we can get a phone call from a client from a...client ...taking out of the blue, J1 if I get this job I want you to start on Monday, what you have to do...

Q: You have to start...

A: If you've got a problem, people get problems. You know work load problems...

Q: But you can't tell those things to you client you have to start work.

A: Which is always difficult. If we're taking a job that job might have a 2 or 3 weeks or 4 weeks leading period. The leading period on job is getting smaller and smaller, ...bit unfair, because you have to procure things, you have to go through right process. But clients have fixed the end date. They want work by end date....and if you've only got a week or 2 weeks leading, if you don't say yes,...

Q: Plenty of people to take that job and that contact will go to another company.

A: However, since the introduction.... from 2007 ...that got helped the industry, because ...our clients... got to give the contractor a chance to actuallyto get set up properly...

Q: So early there was no mobilization period built in to the contract?

A: Yes, but very little. Insufficient actually...speak to many people in the industry that ...and that's a major problem. You know we getone on Friday starting 2 weeks time, But the production team probably don't think about that job on Friday ... So on Monday morning we get together and then you start panicking, not panicking, we get to things organized. And of course the biggest problem for that Monday is that normally ...normally the things are take 14 or 15 weeks to get. We need the

Q: To get the services connected and...

A: It's a hard process to get a job up and running my job as a contracts manager is very busy at that point in time. At the leading period getting the job up and running.

Q: Is there any way to make it smooth to some extent?

A: If you've done it right, ... no need of assistance from...it becomes site manager's job then. It becomes managing director who assign business and site.

Q: Again until the closing date...

A: And then it becomes busy again. There were some coordination issues to sort out. But the front end and the back end very busy....

Q: So it needs lots of planning... programmes like that rather than the body of...

A: I was think that if a client would give you an extra 2 weeks at the front end of the program you could probably take a couple of weeks at the end. You probably could.

Q: So in that case it so better for the client because he is not loosing anything. He still gets the job ...

A: He does, particularly, if he has you got to get in on site that day and you want another 2 weeks ...what's going on. So it's not easy. However many of the clients are working with us now. I think they understand that preliminary planning ... We do a lot of work on planning andand you got to get right

Q: Do you use any software to do...

A: Microsoft project I use now. I have introduced that to company ...I think quite a few things with the business actually ... They have software that I felt which is limited. Many of the professionals that we work with architects design teams, they all got installed Microsoft project. So if we are sending them documents in other software, they can't open them, So we are now using Microsoft project, that if you got a problem or some thing, you got to get up on screen, got to talk about it. Better I think. So we introduce that into our company and we put quite a lot of people to training courses now.

Q: All your contracts managers and project managers....

A: Yes, I mean a few site managers and surveyors are just going as well through the training because it is not idiot proof. But it's very basic. They are all the same, few things slightly different but and we got ...professional help.

Q: And you can communicate with one another that way rather than that you have your own set up and to explain it to, it's time consuming and things like that...

A: I mean hopefully one day we have a ...society. But you can just bring things up on the screen and you can talk to somebody ...can see that and you know its going to be better isn't it?

Q: Yes, for communication purposes it will be faster, that way. You mentioned that you have worked at different companies. Now actually what I'm trying to look at here is problem in construction management, why always these projects are trying to operate away from the business program of a company. First projects, I do understand that they have their own problems, own solutions things like that so they have a better stand to work anonymously All these contractors they work on project oriented basis rather than having a big umbrella to cover all these projects under their business strategy. Why is it, from your experience why do they do it like that? The large companies I do understand that they work on principles on doing business strategy, because they have a business unit. Now as the way you have described [company J] you don't have such a unit and a smaller company may be definitely they don't have. They all operate project based project oriented. So with your experience do you have any answer to that, why they do it?

A: Tradition probably, because they are always doing it that way. I think there are lot of things in the industry that the ...and they were looked into change, practice work ...that were in the past, I think you do get different ways of works in when

you go around in different companies. I'm not sure whether they... they understand, whether they have a strategy as such whether they want to do any differently. I think [Company J] want to do it differently. Not sure that how to do it differently. Not sure whether they are brave enough to do it differently perhaps.... like to keep it under the main umbrella. I don't really know. I've never been in that level. I've never been high enough for ...to be involved in any of these decisions really.... I wouldn't say my... But I have told what to do most of the time.

Q: Yes, Your experience, since you have worked in smaller companies and we can say [Company J] is a medium scaled company at the moment. So with your experience do you find any difference in that project orientation in those two types, small and medium?

A: I think smaller company ...just explain ...

Q: Yes, now my study is based upon this. Most of these contractors, this is I 'm actually targeting medium scaled contractors not the big ones, not the small ones because smaller contractors they always do some sub-contracting they don't go as a major main contractors' role. So the medium scale contractors, they consider their projects as separate entities, am I correct?

A: Yes, probably.

Q: Now I want to see why they consider projects as separate entities? Now, what will happen is this - we say you are working in 5 projects 3 are doing well. They are generating the expected turnover or profit or cash flow or whatever it is. But 2 are not doing that way. So you have pump cash from 3 doing good to the 2 bad ones. Ultimately you will find a situation your company cannot operate. Company collapses. Am I correct? Have you ever experienced that?

A: Yes we have

Q: So I'm trying to investigate why these 5 projects cannot cover under the same business strategy and operate as one entity.

A: **1.06.35 OK, well I think it's different. I think it do up to a point. But if I... use couple of examples actually our example now... I have one particular project that is not doing very well at the minute, it's behind program. It's not losing money. But it's not making money. It's not making what it should make. But there are reasons why that's happening**

Q: Some industrial problem... and people related...

A: **One of the biggest things was the changing the site manager. We changed the site manager half way through the job... he got another job.**

Q: And ... architect's instructions are late... Those are the common things...

A: Lot of things within the project. Of course, it was tendered very badly our QS can't place the orders because he can't afford the... They are loosing money on a few things like that. So all the way through that job one of my other jobs money would not be transferred over. So all the way through that project. But there is a

very good reason for this probably, I think because that job was a stand alone and that job has stand alone...

Q: That is what I'm saying. They are project oriented.

A: 1.07.53 I think it is because there is different staff team on that job to a different staff team on that job. They are running individual cost centre. So everything is purchased for that job is allocated to that job. Staff costs are allocated to that job. Overhead costs are allocated to that job. Now at my level all those costs would stay with that job from start to finish. Now when we have monthly meetings and when we have end of close out meetings at the end of that project. That both of those projects, this one might have made money, this one might have loss money. Now at my level they stay like that. Now, when they go above me to the board, to the financial director, he may move money across to show both jobs have done well together, this one probably take some money off to [balance the situation] he may do. Now I don't know whether he then reports to the board that every thing is smooth or by the way this job's been a right pain and we've lost a lot of money.

Q: Now you have got the first hand information that one job has done well and the other one hasn't. So as a contracts manager what sort of a solution you can adopt. Now this is not coming from your company view, your personal view...

A: Personal view, one of the views that that helps for me to be promoted to the construction manager's role. This is my opinion as well and also it's difficult when you work for a family company because some of the solutions is to why that job is failing live with family members and I don't like criticism I think. A few years ago I worked for a small builder, I was working for a large building company and the job goes for a contacts manager, for small family company with the prospect of become a managing director for this small family business. The owner for the business was died and he left 2 nephews in the business. Now neither these nephews wanted the business. They wanted business to up and run... So I was into the role of contracts manager with view to taking it over...the figures that they were not real figure. But when you get into that role they were losing money. ...handover..... on many jobs and at that particular time I was handling the role with the financial director and he was a family member and he was trying to keep the company float. The company went into administration.... because he was trying to move money to monitor the good jobs... So to supplement the bad jobs...but it was masking the problem.

Q: Not the correct solution.

A: No, when he got to the level, he was then he was reporting to the board to the managing director, everything was OK. They didn't think of anything than that. They thought it was OK. So I still continue to do things the way that has been done. Whereas now currently I think when it goes to the board... I think the bad

news is still there. I don't think they hide out the bad news or good news which ever might be.

Q: So, now as a contracts manager what is your personal opinion when you see two different situations like that what can you do about it?

A: Right, it depends I think on the circumstance and you'd like to think on the next job you do which could be the same as that job you will be able to catch and learn from the state, you know was it tendered poorly, deviate the program period ...we can make sure the site managers, right man to be in the job, because one of the problems is using the wrong manager, did we used the right suppliers, did we used the right sub-contractors, Bid it poorly ...the client. There are lots of reasons why that perhaps could have lost money, and there are lots of lessons you could learn. One of the lessons you could learn actually ...close down meeting actually. We can do that currently. You could have had a close down meeting for that job, to go through the good points and the bad points at that job and that information I think needs feeding across the company.

Q: To the other jobs...

A: Now that doesn't always happen because if that's a bad news isn't it.

Q: You don't want to give more time on to that. But there you can learn many things...

A: I think we tend to spend more times on the positives than on the negatives at [company J].

Q: But it should be the other way round, isn't it?

A: I think it should be both personally. I think we should spend time on positives if you doing things right and people need praising and rewarding, if you do things right and if you don't stop the negatives, It'll happen again

Q: We have to give some time to understand the contextual... background behind negatives. Why it has happened?

A: Because it is not that always about... I think I said to you earlier, people don't do things wrong deliberately. May be the site manager on that job...

Q: Not much experience or he didn't know a specific thing...

A: We make mistakes as same as many of the companies do. I said about clients brings things up on Friday, I got a job that to start on Monday, you might have the right site manager can do that ... site manager and it might be new build job and you can .putting in the ground you will never clue with the civil works. Its every ... own isn't it, really and that's... I think we don't have ourselves actually within that industry by doing that. We don't have... We must be the same as that company; we don't want 2 or 3 site managers sitting without a job to go on to. We are all busy and we got no float. We got no spare capacity as a company. Now it's been said to by a few my previous boss, David always wants one man down. Good

business practice or if you always one man down make you the making... the people work harder.

Q: How many... utilized here...

A: Now always be one man down

Q: OK, that's one less than you need.

A: Now currently... I'm thinking currently we want to actually 2 or 3 more than.... We are very busy from April to October. We do lot of work in universities and schools and the work is always during that time. We have never done ... I mean last year I did 3 jobs; come to university with 3 agency site managers. Now that the company commitment, the most important thing they want time sheet signed every week of course it is lot of hard work for me.

Q: Unnecessary management...

A: I mean meantime theygoing to do their job ...which we want to do anyway. We got right people at right palaces. They should be able to do there jobs in that places. So I think going back on to whatever saying about the projects. I think the majority from my experience the majority of companies still are individual job projects and do show good and bad new on thing, I think ...until you get right to the top and then whether ... to give the bad news. I mean I say to my guys to work ...bad news ...it makes a massive job ...either site manager ...few years ago nearly came to suicide, he was working a lot of hours. His job was losing money, he couldn't believe and he can't understand he was working ... I'm working for ...I cant understand and what it was the figures were being reported and at the end of the job , the figures were looked into turned out £ 150,000 nobody being allocated. He wasn't actually losing money, he nearlyto suicide. It ... because he was working all hours and in the end the QS was doing the job right. But he got all the job...all the money missing....he just took it without telling anybody. He need to know what's going on I think. Every member of that team I think should know what goes on.

Q: The professional ethics.

A: And Trust. People need to trust each member of the team. So you're working towards the same goal aren't you really?

Q: So that means team relationships.

A: Yes, its bit of a problem to me, because you need team relationships. I think each team needs a leader...

Q: OK, that means you value leadership more than ...

A: I think it is important. I personally think every team need a leader. We have project managers, site managers, QSs, contracts managers, surveyors... Somebody have to lead that team....going to ...but ...contracts manager. But here in [Company JJ] we are not, even though we are responsible in the job.

Q: There is no leader...

A: It is the same with every group that we have another contracts manager alternately responsible and you are pushing ...and Harry and ... and do what you can....

Q: Actually the main job of construction manger is to do that accordingly and it doesn't happen in [Company JJ]?

A: Not actually in [Company JJ].

Q: It should be more towards profitability if it was happening that way. Better communication and everything...

A: Yes, We have set up a communications charter within the company that I was always ...with 3 of the members of [Company JJ] to put that communicate charter in place and the reason being the information being the passed down the line and perhaps the information is going as well . You see this family thing. It's a bit... as my information what do you want to know about thatIts being...over the 3 years that it is gradually coming out. Because they realized they got to do it, and with information it was very hard to get out people . Because they feel threatened ... Better people coming into the business want to know what's going on. Not just doing you own job. You want to do everybody else's every body else as ...be involved in part of it.

Q: Yes it is not very prominent thing certain family companies...

A: No, you are quite right and I think the family without the training... several family members feel threatened by...

Q: If they are into that business and they know the value for relationships then the picture may... would have been different.

A: Yes, we don't going back, you just saying about individual projects and what do you trying to find out

Q: Now I'm trying to find out how this business strategy of a company is translated to the projects. Now if it has translated correct way to the projects then the project should perform much better. That is my understanding from theoretical point of view. But practically I know there will be some constraints a longer line of translate. It can be a simple job specification. It hasn't reached the site. That is the reason for jobs to getting late, something like that. So that transfer, management transfer doesn't go to the place where it really needs

A: Now when you hold several managers... that wanted to have and you got managers and know what you got to do. I mean you are going back about why companies failed and ... is a classic example to what has happened. Where as this particular project was making a lot of money. So the senior management or board of directors taking the profit out that job and putting it in to development. Which means the taking that money out to develop specs or whatever, want to do himself leaving this job ...to cash perhaps which means this people cant get paid which means they can't get the job completed, people walking away and all of a

sudden they ...to client because the... But the development is doing OK because they got money to put in there. But then it becomes a problem. You take money back out of there and then the development of course have some problems. And in the end they end up with no money forboth. I meanthis is classic really.

Q: Why it is happening in the industry, any reason you can tell me?

A: We set up a development business within [Company J]. Profitability perhaps is the word. I think our directors feel that they wanted to develop something to themselves. Going to build over there and sell it. We'll take the building processes ourselves.

Q: That profit is much more than what is coming from construction companies?

A: I mean a good financial director will tell you that he is making more money by moving the profits in the banks of the weekend than from most of our jobs... somehow of generating the profits... originally. So that we can do that by not working with 2 or 3 companies now, and... the company I worked 5 years ago had 2 joint managing directors. One was in control of construction, one in trade and finance and they were always at each other, because this guy from finance said I've made more money this weekend by moving the money to5 years ago, I've listen to that conversation and ...I have to wait ...to go and see one of them and see what was going on....

Q: The market has to be understood correctly.

A: Yes, I think a lot of financial people in construction and our construction people anyway, accountants or so, they have to keep the business floating and make sure ...what people have to do

Q: So that means you think that not only the construction professional people should be there in construction company, there should be other professions attached to it.

A: Yes, I think there has to be. I think everybody agree, there every body ...Even we probably want to ...everybody else. I won't understand the market and what to do with transfer of money. But equally I would expect that accountant not to understand...to put that roof on that building over there.

Q: So mix and match of people to correct jobs?

A: It's a bit of every body. I think the mix and match of people is really important as with quality, that mix and match and I'm going to a training program at the minute, which is individualized 4 types of people and a figure that I think that in essence and ...top part of the training programme we put in place of at [Company J]. Ten of us were going through it at the management academy... You can't have what is... proved is ... You mentioned about the accountants and construction people. You have to have a bit of everybody and you can't have all the in same people. I'm a very high sensor which means I think putting the people talking ...you do my way and lot of that going on. But equally there is a couple of guys

working for me are really strong feelers and thinkers and they want all the information before they make a decisionnew surveyors are feelers and thinkers. They want all the They want to reassess all theSometime you have a time frame.

Q: Yes as a man in construction...you have to be quick.

A: I think we're good actually normally... right. I was thinking that, it always goes back to what were our initial thoughts were. Not we have to do a change. If you think that is wrong you probably is wrong or if you think that is right you have to believe that it is right. So I think you do need all these people. You do need what you said ... You do need ... If always ...you know that people that start 8 or 9 and go up to 6. You also need to start at 6 and go up to 6. You can't... If I was in a group of high sensors ...it won't work. I think you need different disciplines. I can do my job without the QSs and I could do my job without surveyors there. But they cannot do their job without me being there. The same as financial director can't I think can't do their own job. There are....not architects and not designers. They all got ait. I think the days are gone where the architect used to lead the job and he does what he sense and I think they can't do realize the... They need the experience; particularly the contractors want to build it. We liked to be involved really early now which we ... when we negotiate a job.

Q: Yes, what type of contract you usually prefer - negotiated, partnering, open book...

A: 1.26.00 Ideally, we do them all, we do 40 % of our work is probably tendered competitive tendering and 60% of it is probably repeat negotiated partnering work. With Strategic Alliance that all their turnover is part of a framework agreement. But that were done on competitive tendering. So they won that in with competition, but now they are in, it's all negotiated based on those rates. And construction probably 40% construction is done in competitive tendering and a lot of it is repeat business. A lot of it is... I was at a meeting yesterday at Coventry University, we do a lot of work for Coventry University and I'm like a client manager for Coventry University site. I live in Naneeton so it's next to Coventry anyway. When I started there, we didn't work with Coventry University, I've worked with them before and I got a phone call are you interested on this? ...great 2 years later we have done about 17 million pound worth of work with them. I'm due to actually start in March next year another job a new virtual reality training center, which is part of the post-graduates university course, which is fantastic really ...building virtual reality system inside. So we are doing that for them. But that's all repeat business based on they know us and we know them. But even with clients who do repeat business because of where the money comes from some time we have

to competitive tendering that is already ...and they have to do prove to the paying...

Q: Even though you know the client.

A: We just lost one ...new health training...training center.....comes to university and we just lost it in competitive tendering just... But we lost it.

Q: The first stage or the second stage?

A: First stage, prequalification stage and we lost it and.... They know us and we know them....

Q: But there was a better....

A: I have been to a meeting with them and I think they thought we'retoo familiar with our submission.

Q: What do you mean by that, too familiar?

A: Perhaps, didn't give the effort ...because it always...we do a lot with them. So we put a submission document into with....pre-qualification was not enough really.

Q: Without addressing there specific problems...

A: You know...point here that, nobody from production involved in the submission. When I went to the interviews and when we lost the resource quote and weighting 50% or 40% submission price. The job was two and a half million pounds. We were 150, 000 pounds cheaper based on the right service submitting for the first stage. But we lost our submission we've scored down down.... When I went through the document, it was not job specific, it was very generic, and our two competitors.... of seeing their documentsthat's a sort of relationship pretty good. They were very heavily targeted towards the job.

Q: That means they have gone for the pre-qualified bid...

A: Yes exactly. We've lost it, and it just proved to you even though you know the client, they don't ... They can't give us the job....the fact that they wanted to I think.

Q: Yes, when you are far away from the estimated price, they may be scared to award the job what rubbish material they put or something like that. They haven't understood the job, it shows like that...

A: 1.31.30 From my point of view, I'm really disappointed, because they are my client. I mean I took them to the company. We got a lot of work with them. I play golf for them regular; I'll be taking them for Christmas lunch and everything like that just to keep their relationship. Yes, there's nothing wrong with that. But they can't just give me the work. You still got to do the business and going back to what I've said earlier, we weren't... production were not involved in the job what so ever until called for the tender interview.

Q: Is it something you have recognized at [Company J] or is it a general thing?

A: [Company J], its only at [Company J], I mean for years now, Monday morning the construction director will come to you and say, you got this job in, I want a

programme. I wantby the end of this week and he used to find that each contracts manager probably given a week to do. You can look at the job. You can see the site. You get them a site report. You might then run a quick programme, a schedule. They go and get on with a process...when the tender interviews, when the tender settlement meeting for it. And another company used to happen, where the [Company J] doesn't. It's a big problem I think.

Q: Now you mentioned that you are doing the quality assessment. Do you use, what I have given you... the EFQM framework

A: No

Q: You don't. So what quality Assurance programme you use in [Company J]?

A: We have quality assurance system. That's been written by one person

Q: Is it a standard system or a specific ...like

A: I think it's been script across the industry. It's got ...lot of ideas from other companies

Q: No name, a standard name like ISO, KPI...

A: 1.33.30 Yes, its ISO 9000 and yes we do KPIs . I think the quality system we do, we have a quality management system. Now in that quality management system, we have set procedures, every department except special projects, have to comply with. Special projects are exempt from it. We should make your own quality systems; say what you want to say. So we don't audit it or manage as special projects in the quality system. Because I think that ... company . They ... not capable of doing it. Because probably the management is not so expertize to doing it ...before ...would comply with. The majority of the company works, we have a quality control system. Which includes procedures, set forms, set systems at work how we have do things, who reports to whom, when it is going to be done by , how that going to be done and I includes everybody including in the business development , who have to take care of the KPIs. We do measure a lot of things actually accidents reporting , people on site, ...on site, clients scores and how we perform and the strict interview situations with them.

Q: Client satisfaction...

A: We do all that at the end of each job. Those scores and reports are felt back to the team and I'm not sure anything to be done ...many bad ones, because we do the job ...It is a bit of a problem but nothing really to be done about it. I don't think, to get a customer satisfaction.....somebody else has done on something else, I would like to know what I can do about it and the quality system involved, the checking up drawings, registering drawings, ...people to get...do it properly. Not being in a perfect way.

Q: But so far you have not experienced any problem as such...

A: Any problems experienced with quality schemes or systems are then... unmanageable, because it's too much involved, too time consuming...

Q: You don't have people to attend to those ...

A: Well, partly at [Company J], a lot of these people that's been a few years time ... because it is a thing that we need to use across the company, we have never been used to do it. And previous companies that we come to have it manageable, too much involved and had a lot of complaints from the site staff, too many forms to fill, too many ...not time to do it. Other companies that work talking about quality managers, dedicated to that role. Whereas we haven't got a dedicated, part of its duties to do as other jobs as well ...one particular person

Q: It is falling under the general project managers duties, is it difficult in a construction company?

A: I think a lot of companies want our systems in place because they want... letter heading perhaps and gets ...into local authorities and ...an HSA areasinvested in people like that. We got all that.

Q: You have that

A: We have investors in people probably we have for 18 months now I think. [Company J] actually do like these awards. The senior management directors at the business, they do like these awards. I mean in the top 15 building magazine companies. They just been brought into the top 25 for the Sunday Times companies to work at. They consider to the quite prestigious thing.

Q: That they don't consider the amount of work going...I believe, to put manpower in place

A: No, I would suggest we are on ...for all that. I mean we are just being issued that British Safety councils 5 star awards. We have just gone for it. We got 5 stars the first time we went for it. And it is issued very often too many companies. I think a handful of companies across the companies. We just got it for the first time. 3 months ago. It's quite an achievement and directorshealth and safety ...really hard.to make sure that we do have it.

Q: But how you are going to maintain it. That's the problem

A: Yes. I agree, because.... We are going to develop and we are growing and he is now introducing an outside health and safety inspection. So that's the cost in the business but and nobody like to lose ...letter heading..... reputation. I think what you ...It is difficult to maintain. You got to continually do. One of the ways to do is, we haveall internal quality asses. Which are just come through training course12 months ago... So I'm now in internal quality assessor.

Q: Now with your portfolio I can see you are a contracts manager, you attend to team work relationships and those type of things and you are doing partly this quality assessment. So isn't it too much for one person

A: Yes, pretty much it's a full time job and I think as a contracts manager and I think if you do your job properly

Q: Yes, you need to have. I do agree all...

A: I think a lot of hours involved. I'm not sure we are.... under resources... Contracts manager has always done that. Contracts manager is a busy position.

Q: Look into everything project or many projects actually...

A: But our many contracts managers that I know they don't do what I do.

Q: Safety, quality everything because, you have centralized people who are going about...

A: This is our responsibility.

Q: Yes, your responsibility to get done that job.

A: To make sure that happens on time or to push it if you can't... Actually lot of responsibility has with contracts manager. A lot of other companies do it differently. There are contracts manager based on one site and is responsible for that particular site, whereas we have a load involved we go from site to site. I mean I do everything from 1 to 6 jobs live at any one point really, a very difficult sites value. Difficult to manage at times and long hours. What ...isn't it? I don't think...between actually because if we don't do it properly, jobs will fail. Better do it properly I think.

Q: So the role of contracts manager if I synthesize everything in what you have said so far. It seems to be quite crucial but it is not understood well also. Am I correct if I put it that way?

A: I don't think people do understand what we do behind the scene. They don't understand the complexity of what we have to do, what we have to do, paper work wise, reporting wise, site wise, inspection wise, phone calling wise, chasing people, housing people, requesting information, confirming instructions, sending letters, writing letters, attending meetings, attending coordination meetings. There's a lot and anybody ... I'm not a micro manager. I don't manage my guys and I never say my guys ...work together. A lot of people work with them and they report to me well. They do well.... I report to them as well. I can't do my job without them and they can't do their job, a good job up to a point without me. They could ... they can do their job without me. But equally those are not quite ... I need to help. You can't just skip....few years ago...

Q: But with experience....

A: Get more experience, you understand that not everybody can do the job the way you want it to be done. Some are weaker than others, some others

Q: It's your responsibility to get the job done. Keep them happy also, to give them support and every thing that is how....

A: One of the things in [Company J] because they are growing business is the. We reporting the contract managers because the guys....contract managers before the

...can't do it. So we are expected now to bring the rest of stuff with us. So we ...expertise as well ... It's nice if you can pass something you learned isn't it? Just somebody else saying it, are they doing it ... They report me and that good. I like it.

Q: You need to have....

A: As a contracts manager you can't be a little person in the corner. You can't be shrinking violet as a contracts manager

Q: Reach the people, give all the support and have to ...

A: Yes...probably got a lot to do.

Q: Because it has a wide portfolio of work to do...

A: Everyday different. I don't think I don't have to ... in a factory

Q: Because it so dull and

A: I have seen lots of different cities and towns I wouldn't have seen before.

...That's to me really

Q: Yes. If you take it like that, not the other way round. Oh I don't want to go there traveling...

A: I don't think you can do the job. If you don't enjoy driving... this job is a nightmare.

Q: Yes. If you have that, then....

A: You need to be very flexible. I'm not the best of listeners to be fare. I'm not the best , here that I'm doing something wrong , I don't like it . Somebody telling you should have doing this way. I've never been good at

Q: Following instructions.

A: I tend to probably listen to what they say still do my own ways, which is probably not the right way. But every one is different.... My boss, I give him about 5 minutesand tell me how it should be doing and I'm going to do it, how I think should be done.

Q: Because in construction you cant always expect to carry out instructions. You have to do the best for that particular instance, for that particular situation.

A: You are quite right. I mean the guys that work with me like my site manager and project manager , they think what I'm talking is completethat say something whichgetand I'm sure they would. I'm sure they just wouldn't do it, because I'm saying doing this way. You got to work together

Q: So your directors. They are not stepping into sites I believe

A: Very rare again which is another?

Q: Yes, because the way you are striving the setup, that is how I got the point. Now if they are familiar with the site conditions, then they may not tell you something which is not practical

A: But I think its enough for me the site conditions because. It probably never been on sites like, we are doing. You know historically growing up as a smaller

company, smaller sites as well and but equally when the construction director walks up to the site ...soft shoes and doesn't where the ...and he is told about he doesn't like it.

Q: Yes there are certain regulations, you have to adapt to, no matter you are the king....

A: 1.46.00 The king of the jungle ...this communication charter we just put in place. The key word is lead by example. Because you wanted to make sure that the people at the top got the information people at the bottom. Have to come down the tree. But I can't give my guys the information if I don't know. When I join them 3 years ago, I asked them can I have a weekly report of what jobs we're tendering for there is a specific reason really I've said earlier I play golf, I play lot of golf with architects

Q: You can bring in business....

A: If I am talking to somebody, I'll want them to know what we are doing. So we talk to them about it and them why do you want to know that information is top secret. Changed now, and they have to change and now that information is available weekly which is good and because also the people that can see it would probably say to the estimators , you don't need to working to these. You need to clear of these because of such and such. In the past we might have experience somewhere else in a previous company. I think they need to take information from us who have been around for few years.

Q: Who are ...experienced in...

A: Probably not the right word. If you interested, you are not just come and leave thing. You just got to say something...

Q: And it would be good for the future

A: For the company, everybody else as well. It is the company making the money

Q: It is better forHow many of us are thinking like that. That's the other problem...

A: Yes, not everybody think like that

Q: They think on their benefits not their responsibility.

A: Well, no. First and foremost I can synthesize that up to a point and I'm interested in me and my family but equally understand the blah , blah.....at the end of the day. It's just isn't. I know that if the company falls and I don't have work and better go and find another job.could do that. Everybody has the ability to do that, or the confidence to do that

Q: The competitiveness is not there with everybody

A: No I mean not thattwice now in this industry , The first time I absolutely got it, don't know what to do. Now I have never been out of working in my life. I don't know time of work ... My dad never lost time of work and I'll never been ...of work. I got ...because of a company is actually the way..., the guy was working for

a small family company again. He was putting hundreds and thousands of ...We could get the job finish. We could get the people on site work been paid and it was normal in the end. It was close in the end and going back you learn a lot. I mean I was You can probably see it coming. But I've never experienced it before. Don't know what to do. I got a clue what to do when I got the jobs straight away by the way. It was a shock. I mean I lost last month salary because they didn't pay the last month salary as well and...coming in. Little bit of a problem. I was actually devastating. Because I was under the impression of that time, how my job is too good to lose, I know what I'm doing...when that happened. But I got another job and then....didn't bother me at all.

Q: You knew that, have the past experience; you have more contacts in the industry. So you were in a better position.

A: On the phone ... got interview like that. Because that, if you got confidence you can do that. If you know you can do the job, you can do that not the reason what position at all.

Q: That is quite individualistic character I think.

A: Yes, I think it will happen to me tomorrow

Q: Yes, you don't have any worries I believe

A: I think I go and get a job. I think I will be worried...

Q: But it may not worry you too much like the first instance

A: First instance was devastating actually. I always thought I was a bull there. I thought I will lose my job. Because I was good at what I was doing ...my technique and I did

Q: Yes, that is one problem in the industry. Now if that relationship is not there with top to bottom. Then the people at the bottom, no matter how hard they work for the company, they are not benefiting

A: I think the relationship top to bottom

Q: It's very important

A: And it right at [Company J] yet and I go back to s I said earlier. I think its one of the growing plans of [Company J]

Q: It should be top to bottom to top

A: yes and I don't think it is. I'm sure they listen. I'm sure they listen to what they want to here

Q: They might think that it is unnecessary...

A: Yes, possibly. But certainly but equally it's a company wants to grow. Company wants to keep going forward in the end, good employer, nice to work for, reasonable paying, give good benefits to the staff ... they will let people know what's going on and then if you interested fine if you are not ...

Q: They don't call any meeting with all the staff

A: No. What we have is a ...tier management basis whereas they letting the information to the man if the top and process down to his subordinate and then down the line

Q: No wonder some important information loosing that way

A: I'll try to investigate something that the company is partly communication chat ...taken on board. I wanted to introduce the team brief which once a month and the same bit of paper with the same information is given to team leaders or contract managers or construction directors and then that message is given to that set of line managers . And they take it and give that same message to the people who know that and that keep going...

Q: Nothing is going to loose.

A: That information is then constant all the way down the tree. But they won't take it on board. I don't know why they won't take them on board. I want to get a meeting in a fortnight and find out why. Because as part of the communication charter. We have 6 months into it. I want to see what they have been doing and this is important to me. That's all the big critique not knowing of what's going on I like to know what's going on. What they think that I'm nosey or not. But I think it's good

Q: For your performance or job. It's important

A: You know I 'meet so many architects and clients. I know what we are doing and how we doing it. We know particularly about that job. ...all working on architecture... I want to know about it.

Q: How maintain that relationship, profitable to the company

A: Yes, need to do something else. But this communication thing, I think this team brief. It's got to start. Because it is lot of things ... there is lot of things going behind the scene...whispers and we have to stop that. He is.....we want that job. We don't miss.....turnover ...loss this amount of money. That information I thinkall the way down we are not doing that.

Q: It gives some aspiration for certain type of people by knowing exactly what's happening in the company.

A: And also the guys from our site ... they see me nobody... they see me once a week. So they need to be kept interested.

Q: Where we are... what's our next job, where are we going...

A: **1.56.15 Yes. They want to know that. But we don't have these big meeting like when everybody is involved. We have an annual dinner dance.**

Q: That is not the correct place to discuss all these

A: We have what's known as a communication day really whereas the senior managers in the business are invited to this one day where the company strategy is set out and that's it. Then you're expected to go back and tell your staff what's

going on but without that bit of paper that's regimented everybody tells their staff different things don't they, you know or half of the things they want to tell them.

Q: Yes their, interpretation is different.

A: Why they want to tell them everything without keep morning. If you want to ...themselves. So I think that's a big issue, the [Company J] have at the moment...as we are going to continue with this

Q: Yes. Definitely it's important

A: It's important. Yes

Q: I have got lots of information from you. Now since you company is at a changing face. Is it all right, if I keep contacts with you?

Stage 2 – Interviewee A1, Company A, 2008

Q: So my first question is, before that just to round it up and to give you some idea where I am standing now. Last time you described about this development, business development in your company and you told me at that stage, it is not very clear to you where it will turn, and you had three options that time.

A: Right. OK.

Q: Now I want to know whether there is any change and you are doing some form of a business development.

A: No, I would say, but we feel is sort of ... we try to reduce the activity really. Reduce labour force while about 6 members will layover next month. And we haven't sort of succeeded in reducing the turnover. We were trying just to close the business partly... a bit. Certainly be easier to hopefully pass on to A2. But we haven't made any real formal movement instead we spoke down, something which we got to do, we haven't.

Q: So that means the performance, the company performance is still the same like...

A: Probably better in many ways. But quite a good year to be honest, at the same time we really trying to... during this recession as we achieve what we are trying to achieve. That you know slow things down a bit really and try to get the company sort of more compact. So that it would be easy to be pass on really.

Q: So in that case, now how do you handle your projects?

A: In what respect?

Q: In every respect, that the activity, the management part, peoples management...

A: Very much as we did before. Try to delegate more on our supervisors on sites and by, say money probably smaller amount of jobs, we've got senior people available for every job really. So, not relying on myself or A2 try to run in hourly basis. We can manage from the right level really and then skilled operatives who can run them on a daily basis. So that we don't need to say we are so hands on as we were.

Q: So that means you had found some sort of an improvement in your management here.

A: Mainly by say cutting down the number of jobs and people.

Q: Both?

A: But even we're doing small number of bigger jobs really. It was the turnover probably remains the same but with less people in the company.

Q: So do you find it is some form of a management technique?

A: Yes.

Q: Which you haven't tried previously?

A: No, I think it's a... circumstance is brought on and then we found and it was a better way of doing.

Q: So now if you found a better way of managing your projects, don't you have any idea how to translate it, to manage your company? This is something what you've found new. So haven't you developed any idea, if some way certain things from that can be used at the company level also?

A: Well I think the company performance and care of the company is when myself is to... and I forgot. So that's where we need. Change the performance of the company. Managing is at the moment, it works very well. But it won't work, we don't think without us.

Q: What makes you to think that?

A: Self esteem. Well we represent too much of the management at the moment. So we need to either bring a manager in for, or reduce the company to a more manageable size for one person which is you know what we are doing in one respect but it won't be sufficient.

Q: Now you said you delegated some work in projects.

A: Yes

Q: So why don't you try the same thing at the company level and see how it is going to affect?

A: That is the intention we haven't got around, yes, and looking for...but that's the intention and that is what would be necessary really....

Q: Yes, in that respect, if I ask you a question... Now you are undergoing some change. So in that respect now we say you were asked to tender for a job, what sort of criteria you are looking at?

A: In the type of job?

Q: Yes.

A: Well it would be so hard to say what we're looking to make a profit. Obviously and in types of work, we try to keep away from domestic work and whenever we find, we make more money, more successfully commercial and industrial work.

Q: Where the specifications are less.

A: Yes, probably... the pull more formally sets up for domestic work. Minding the market at the moment is that again the tender opportunities we're getting are generally for domestic work. That's the way the market is going. But the industry and the commercial side aren't in a position to spend at the moment, so lot of my work is now back in on the domestic side.

Q: But you prefer...

A: We prefer heavier work really, industrial and commercial.

Q: Yes, what is the reason for you to go for that?

A: I think really, it's too many in a smaller domestic; it is too many different trades interiorly, never sort of gets full days out of that trade. Because you only need 6 hours brick laid and then something you know and we find that's...

Q: We can put it into complexities.

A: Yes, they are more suited to construction firms where you got working principles we think, wherein 2 or 3 levels of management. Just a one job which is £ 300,000 and that's worked quite well and with the site supervisors. So we do find industrial work probably. Well we find it more interesting also to be honest.

Q: Structurally?

A: Yes.

Q: Yes, domestic side where you find the same repeating... and there is no much of an input from your side isn't it? It is just to supervise and organize the things.

A: That's right it is not much. Not enough flare for making money either. It is just to say, it is a bit of a routine target job you know employing wall tiling, kitchen, central heating and I think we prefer it more. Well sort of on the heavier side and where the most of concreting draining we prefer that too. Finishing... I think...

Q: Yes, finishing takes time and you need to do well otherwise you...

A: And lot of domestic people getting involved, they want to buy their own stuff and then it doesn't come on time and...

Q: I can understand those things. It is not only the structure; you have to worry about the fittings.

A: And they want to use their own kitchen fitter and an impact was on the manager for, you know... He was coming on the wrong day.

Q: I can see that organizing part is demanding. So in that case you prefer that, less involvement in organizing is better for your company at this time.

A: Yes.

Q: So that is the reason you are going for commercial and industrial than domestic.

A: Outside so, yes I mean we find again if we, its easier in managing and we find it that difficult to, say a commercial job, we've got a... you know £ 60,000 air conditioning sub-contract and 200,000 electrical sub-contract. We are far happier making 7.5% profit on employing those people than the nifty gritty of organizing wall tiling and fitting bathrooms and that's a...

Q: This is actually outside my questions, now you are in this trade for a long time and I think about 40 years now. What have you felt about the skills, the craftsmanship of people?

A: I don't think it's the clients as much as the sorts of press say, I mean we're selective of our tradesmen. You know even in this difficult time they wouldn't

sort of get rid of for the sake of, you know once you found a craftsman we train them as plenty as they are still.

Q: Because I have read, it is a problem in the industry now. You don't get that quality work due to inadequate skilled training and those things.

A: It's an industry issue overall, where lot of people think and they're going by a hammer and a screw and calling them as carpenter and just getting to the industry. We are pretty selective of them. We don't take that type of person on and I think there is still quite a good quality of jobs in this industry, especially on our jobs.

Q: Yes, you are getting lot of repeated work. So my next question is following from there. Now you described me how you're selecting jobs at the moment and now, we say a client has awarded a job, so how you are going to make a management procedure to put things together and start your job. Do you adopt a certain type of formal meeting?

A: Well, yes, doing most of the works are through a project manager. Probably a public one or private one, so there always be a formal pre-start meeting.

Q: From your side you are appointing a project manager?

A: No the client's.

Q: The client's project manager, OK.

A: Yes, even the county council would have a project manager and they would call a pre-start meeting. Everybody goes in there and then we would,...at that meeting we would have to define the who was running the job, really go from there then.

Q: Yes apart from that meeting in your company how do you prepare yourselves to start up a new project?

A: I mean I read the files at starting. It is one good thing, in further joining... We just started a job really. It is all going... It is all 400 - 500 year old cottage which was rebuilding including replacing the out frames on it. So it keep falling on and... going...and just sort of an on-going design...the memory is full on this computer.

Q: It's time to replace then.

A: [showing the computer entries] It is still keeping information into reflect popular results we stick really. Well sort of typical things, sort of files, I think it is just about benefits of what sort of, the job out, the job number, the client, the fact that...makes up we started, the start date of program. Remember the particular flows and...just sort of analyze our tendering list of the sub-contractors between that price and then I keep a running final accounts really from the day one of any allocations and any additions. Again the green, dark green items we

know going to be extended and pale green items we still waiting the instructions on and then keep a note of.

Q: Every day?

A: Yes and this is, I keep a note on financial iterations and I just keep that going all the time for every job really. So, just any reminders at the end of the actions, we are waiting for instruction from architects to spend on some of these complex orders. The ones in green and ones of action and one in fact...and that of the reflex... Just keep the certain things we got to do. Like I have got to...front door ...in black, we haven't done yet, in fact...I'll send a manager today to going ...but we keep these going all the time really on our jobs. Just a memorandum of what is you know...

Q: So it's quite a lot of work from your side isn't it? For every project if you are going to maintain this type of...

A: Yes that would be done... only be done for a larger projects. But it doesn't do in a few minutes, just a

Q: So you have to visit the site in other words every day?

A: Generally do yes. Well it depends who is on the site and where. I mean again we got very small jobs for the county council and it is just small school job. We let 6 into that job so far. It means those young sorts of points relevant at the moment.

Q: So that we can call it as your planning as how you are managing a project.

A: Yes.

Q: OK. Now that is from your site. From the office, now, when it comes to your project in the site you are appointing a project manager or just a supervisor there?

A: This job gets a supervisor on it, yes.

Q: So how often he comes and report to you?

A: Well I would go to him. He manages sort of day to day materials and skips movements and he will keep a note on any day to day works, or any additional works, generally once a day or whatever felt and pick up. Organizing things which was beyond his skills or knowledge and also pick up of many information about any additional works.

Q: So for site meetings with the project team from the client, who is representing your company?

A: He [supervisor] would come as well, yes.

Q: You and him both?

A: It depends. He would go anyway and really depending as it happens with client. Client is waiting in Italy at the moment and my supervisor is on holiday as from tonight and he might get some client call him for a meeting any minute...to know what is happening... Make sure he is still there. But he would probably

come in on his holiday for that meeting and. I'll go with them. She would have a meeting when she is at home, I mean she is quite local to the job she would have formal meetings with him on a daily basis. We will be done here a sort of a formal meeting. Well getting to the architect involved in the job, but the architect got so much faith. He doesn't get very involved on it to be honest. So even though he supposed to pass every instruction through the client. It is really architect... I mean we tend to agree things with client and confirm it to the architect really, it suits him.

Q: He has done the drawings only and he has given you the specifications and just working upon that and if there are no issues, in conflict like... sometimes you find architect instructions may not be used in site.

A: But again, I mean we know this architect for 30 years anyway. So we tend to live quite happy and carry on and just...

Q: To report him back.

A: That's right. He picked up it in peace. So he is not bothered. We do his job for him. Well they are quite good drawing specifications.

Q: So there are no issues like, OK...

A: Yes. In fact it would have been...you know. But in fact been picked up, but somebody from parish was replacing some of them. All of it panels. So it is all open at the moment an interesting job. [showing the drawings]

Q: Yes, with lots of character.

A: Yes... bay windows.

Q: So you really need very skilled people.

A: Yes. I got them really in the site and getting old.

Q: Yes, you must be feeling that. So that is how you run the project you appoint or a site agent and he does the daily work and the majority of the bulk.

A: That's right the day to day which is if you get specialized materials on that job throughout all the specialists things and new ...even though 13th 14th century ago, we got to put solar panel on the roof, because the people are very much in to the green environment... doing water drainage...all the rain water are been reused for the toilets. So all these systems in. Under floor heating even though it is... easy under these stone floors.

Q: Stone floors, so is it effective?

A: Oh, yes, it is all based on the effect of installation really.

Q: I thought stones are a natural material; it has its own characteristics.

A: That's right but they say hidden among it be putting under floor heating, and then they have wood burning and it fires, boilers. So the boilers have a carbon balance.

Q: So that you have appointed a specialized....

A: Well again with mechanical engineers, yes, again we got £ 35000 electrical sub-contractor employed. The mechanical engineers are doing all these heating and solar work.

Q: You don't have a spare copy of that drawing with you? For me just to study those, how they incorporate new technique in to an old

A: Yes, I can give you.

Q: Yes, please. It is for my personal interest to study about it. Now when you say stone floors are heated I'm trying to think whether it is going to be very effective.

A: It is, I mean, I have got a room which I, just for an experiment... I got porcelain tiles. But you can't go under floor heating under those. So that's effectively means the floor doesn't feel hot, it doesn't.

Q: Yes, because the material is highly insulating.

A: The air temperature gets up to whatever we want to, I mean twenty, Actually put it a time little bit doesn't... night because its bit cooler and then it is sort of...

Q: Yes usually heat a day goes up. It doesn't stay at the

A: Yes usually heat a day, then temperature goes up. It doesn't stay at the floor....

Q: Those things are really good. I have read about under floor heating and I have taught my students. That's why I was wondering these stone floors how it is going to be effective. With timber it will work perfectly and with other types of artificial materials it is. But with now this house, it must be having the original stones, isn't it?

A: Yes that's right. I think you got a... we put in cut stone on top. It really can't switch it on and off, on and off. You got to let it... you know that it will warm up and it would never losing heat. Underneath we got 6 inches concrete and 8 inches of insulation and 200mm insulation. So it retains heat not just quick at gaining heat and losing it. You know it's a balanced...

Q: Yes, it has to be mechanically set.

A: I couldn't think I just put heating in half an hour you couldn't imagineyou got to sort of habit sort of 2 hours in front. But it is very effective, yes.

Q: It is a good thing. So my next question is now when your projects are nearly completion, do you adopt certain management level procedures for project closure here.

A: Well getting on a formal job, there would be a pre-handover inspection and they would produce a list of snagging. Well, going you got to think. Most of our jobs we snag them as we go and there's no good if you got a, look a mark on the wall mark on the wall, there is no good leave it till the end. Because it's got to do, we want to do it, when we spot it. So we tend to snag our jobs as we go and in fact very rare as you know we have retention and you go back after 12 months. We can have 12 months very rare for suchso we have to do anything I mean

you know. So we have to do unreachable quality of work and even 12 months on and very unusual to have to do and suppose... contracts snagging. But snagging towards the completion, yes we do as we go.

Q: So that is actually the person who is involved with the project.

A: Yes he would. I think everybody would draw everybody's attention, you know my own employees wouldn't leave neither I would draw the attention of that trade to a problem. So that's built up. So it's very great once you get smiling and it would get done. But then I would say that the client will then have his snagging [weapon]. But we don't saw with those lists.

Q: Yes now in that situation you have to claim your retention, I remember last time you said it is affecting the company, what can I say?

A: Well those actually. Yes, I mean we have got retention at the moment. I mean that they are dynamic now. I mean we still got a hundred thousands...

Q: Now how do you manage that sort of activity?

A: The retentions?

Q: Yes.

A: I do it sort of a manual system; the computer system can do it. But I just keep an eye on what retentions, I mean at the moment we hope £ 112,990 and 1 penny in retentions.

Q: Yes, so how does it effect. Now this is coming from the projects isn't it?

A: Yes well its many states of money. That's one of the things in this industry, when that changes monthly.

Q: How do you handle it at the company level?

A: I got to keep an eye

Q: Yes how do you balance it? Now we say you have 2 projects, project A and project B. So you have cash flow for project A separately, cash flow for B.....

A: Well now they are all at the same pot.

Q: Yes, same pot OK...

A: I mean when going really build, just showing some of the things.

Q: Yes. That is a typical contractor's way of handling.

A: Well it couldn't...I don't think you could define whose cash is right... sort of me, then ...

Q: So you don't maintain any project cash flows. You are maintaining company cash flows?

A: Yes.

Q: And then you divert whatever the budget requirements for company?

A: 29.54 No, we never see the need to... If we got a big subcontractor on a job, we had several evaluations 300,000 pound and there is a 120,000 due to that electrician. I wouldn't go and spend that money somewhere else. You

know, we've be not structured that money belongs to this job. But I would make certain, because it is again required... if it's a public contract we are required to pay those anyway within 14 days of us getting paid anyway. We will always honour that. Even with our own contractors, if it's a big subcontract I would monitor that cash has been due to them even though there's no sort of system. These are the retentions at the moment... the ones in yellow at the top of got for 5 years, I don't think... these are the ones we will ever bother getting [dead money]. The red one are the ones which are overdue...

Q: In that case what actions you take? Now you said they are overdue...

A: I mean overdue ones?

Q: Yes.

A: This D1 26, Snowhill... actually it was 2004 we finished that job. And these falls have been flow down there for 4 years, but today it is...

Q: So now it is 3 years?

A: I know, just one of those jobs we couldn't get around till yet. I'm going to do it now. It is actually a retention of 5,800 and quite a few pounds in the final account with that we finally get done and the one of those activities that with the fall there. We are finally going to get through and then the rest of the sort of current jobs and what happens is once a month for there about.

Q: Yes now tell me these are overdue. Its more than 12 years now you haven't claim your retention. So your buildings what you have build for them must be having some cracks or some paint peelings or something like that.

A: Yes I know what you are saying. I just had one with accounting council where the retention is due last September. It took me till this Monday before they would inspecting us...if anything any great damage to the plaster work and it's too late for you to come andIn fact the job is still in good condition. In the snag list there were three items.

Q: So are you are expecting now this overdue work also to be in good condition or if...

A: I don't think it won't be challenge in both of really. It's just one of those...

Q: If you are happen to spend more than that to claim that money then no point of going back.

A: It's really the case of... these are too unusual situations really occurring.

Q: Yes usually you...

A: Yes, I just stop around if I could, I mean...if we get paid, we get paid, if we've done, we make them yellow. At the moment are red and then we keep up to date you know and say once a month I just walk to the sitecan update the list and

say this is May 31st and probably last time I did onedone in every month. February the 29th, that would probably be slightly different. But I would just...

Q: Sort of jobs you have completed.

A: Yes, obviously every month we have evaluation and retention chain.

Q: So the black ones which you just showed me, they are the ongoing jobs.

A: Yes, currently yes. All within the 12 months still.

Q: So now in your case this cash flow problem of one project doesn't affect your company am I correct in that way, or do you have an effect?

A: Well from us. I think I got to try again yes.

Q: The cash flow situation of the company, now you have to keep some money aside for all these retention.

A: Well, yes, well that's... I obviously... we got a share capital. We have got to retain profits. But really we have got number of those retentions are really funding out of the creditors, can you think. We now got sort of set 120,000 pool of money. It is really coming out of turnover. I mean in fact really our turnover... 120,000 and it represents a 14 to 21 days turnover. So I don't have whether being... with a special funding for retentions. So it's a difficult thing in the industry what we're trying to do, we are really...Because we are some sort of where we are doing in a upper limit, even we should have gone for a 5% all the way, if we can negotiate a cut off for the lower level. You know to a million pounds job, we say the maximum retention say 5% to 500,000, you know we want to retain 5% from the next 500... Because the main fact is sudden builds up you know. In fact we just come out one which was a fractured job we did finished, Christmas to a 6 and its 200,000 which we finally got that retention on March this year actually and...money. Big200,000 again and its only 3 days turnover. So we don't compartment retention. It all goes in to the same, again on cash flow again... I depend on my system rather than sort of a computer...what cash do...as it go down for ...

Q: On a daily basis?

A: I check the money that every day every morning. We check the bank position where actually blank at the moment marginally £ 2000. So I mean cash is what is all about.

Q: Yes you have to have a thorough idea about how to handle it.

A: As you've got cash you can never go first and you've got liquidity.

Q: Yes you have to plan.

A: Yes, we do, I mean last few years, I can remember the days, where cash was very difficult you know...

Q: But with lesser jobs, with the same turnover, you must be having sometime to monitor, that type of activities well.

A: Yes, that's right.

Q: So my next question actually is following on like, I want to know with your experience. Now you are working at both levels, company level and project level. How you can align them together to get say maximum profits ultimately, what things you need to watch carefully like?

A: 38.18 Even at 61 I still find it difficult not to get two hands on and not to have faith in my supervisors and probably it is easy to do now and it is far better for me to leave them to it and they lose tuppence a day and because they don't do it quite as I will do it. And we come back to the office and make pence doing something; you know some higher management level. I tend to do be able to that more these days rather than flitting around and trying to watch everything that's going on, you are better off leaving them to it even though you might only get 95% of what you would achieve if I was there, but you're better off spending my time and energy on more proactive management better buying and better planning. I am able to do that now.

Q: Actually what you are saying is, you are staying in the office doing better planning and better management has helped you to get better performance or better, not better performance, you are happy even with 95% of performance from your supervisor.

A: I mean, yes. That is the case. Yes.

Q: OK, now in that situation how do you give them your business idea? They are not like young children that you can't say you can do this after that, do this like that... What mechanism you adopt here to give them the same vision what you have?

A: I think we got to be hands on for that, I mean the second time they know how to do it. I think if we get something new, I think you got to talk it through the first time and be there for the first time and try to submit in the last couple of weeks.

Q: Any example you have?

A: Oh yes, it was on the job actually we had a situation where we can't... couldn't get concrete top mixture on to the job. There are trees over hanging and the local council ...couple of doors away and we couldn't get a big concrete top mixture on to the job... A couple of issues in the end to the ...you need to get concrete right down there. This is a big drainage 100 feet down. It's a little track here which goes to some more houses. Well this is not a big ... concrete mixture of... This is the main road. In the end and this is probably 1.5 m higher than the road. It's too difficult with the barrow. So in the end, we got the timber platform here which is the same level as the back garden. So this steel sectioning got this sort of platform built up. Top mixture was able to get into here, just sticking end to the road slightly. It was able to shoot into barrows and the blokes get straight

to the job. It's all turned with we have a pump right down here. The pumped concrete down from another road and most of concrete as end up in pipes, because ...made small quantities, so saying I mean both of us think about doing right that next time. And that worked quite well. This top mixture backed in heat, pour the concrete in fact. It put straight to the barrows

Q: So your planning is very important, may I have this piece of paper because, I can right of what these things are, and then I can make a story. So now what you are saying is even you are working at this new change like thing your presence there sometimes is very important. When it comes to this type of, the activities you have just described to me.

A: Yes, I think it is.

Q: Your supervisors are they coming to you or you are going to them in such situations.

A: Suppliers or?

Q: Your supervisor in the site, are they coming to you with this type of a problem asking your help?

A: Not asking my help, asking how we are going to do it...

Q: So that means you have some form of informal contacts right throughout the day even you are not managing it like previous case.

A: Yes

Q: How long you spend in that type of informal discussion?

A: Whatever we need, nothing long time, as it happens at that site, today I want to go there... today because he is going on holiday at night. Nobody spent 10 minutes or so, which we got a meeting at 7.30 with engineers which we went to and I am just around and today I've to make sure I go there after you left, because...is going on holiday for 10 days.

Q: So you need to know where...

A: So we need to look after the job.

Q: So now in that situation do you have another subordinate for your site Forman there?

A: Well there are 2 recently mature carpenter and a brick layer there and we can train them. I'm sure, to leave them

Q: To manage for that 10 days. OK. It's a good example what you have given me. The planning is very important. So that's why I'm trying to see how you can merge these 2 together. Not merging actually. Project will be always under the company. But when you have many projects, sometimes some projects are not tallying with the business idea of the company, they will get what do you call, they go strange or some happenings. But some projects when you are doing it, properly you think your input is not very required. But now as the example what

you have given all of a sudden there might be a case if you were giving them some instructions, it would have been better. Would have given you more profits or more quality of the job is better or some way. So I'm trying to see how best we can tie these 2 levels together to get the best outcome. So this is a good example for me. And my next question is ...

A: OK, I'll give you job if you qualify.

Q: I like working in this you know, not in large scale, large scale people are having job description and role is over viewed in certain areas. In small companies it is not like that you can freely move around and organize things, so the way you are handling. Now you said you have shared some of your working responsibilities. You are working at this level. But still you saw that your planning is important. So my next question is this - now this is actually going a step further from there. Now are you doing any improvements at the company level and at the project level? Yes we can call them project level, as you have many projects.

A: I think so. At the company level we have to keep up with the time with the ...Everybody need proof of training over time you know and...

Q: Proof of training means, everybody... is your clients?

A: No everybody wants health and safety and there are rigid procedures to cover everything. We're just working on just small things. We're just working at a church at the moment, where we have to put some drainage and it's a 19,000 pound job, again, how can I ...talk at a balance...At the start the architect wanted 4 welfare facilities. He wanted a site cabin. There was no water on the job even, because it was a church. So what we have to do... to satisfy ...health and safety exactly provide a chemical ...we have to provide bottled water for men to drink if they want, but they've all got flasks. We have to provide electricity on to the church. In the end... we have to provide a bowl, an electric Kettle to provide hot water and if they are going to wash the hands from hot water...

Q: Is it going to that level now.

A: Yes, we have to.

Q: But you can claim your money.

A: Well it is all in the preliminary in the job really. I mean you got out of providing an office but they are worry about where we are going to park our cabin on there. So we are not doing that. So we save 25 pound a week on the cabin. But following on the question you asked, it's all training now and as far as...

Q: the actual job

A: It would once prove you know just about to... We had a manner...is back and the first question people ask is we have a manner of handling training. Most of

blokes are about 60 we must have training 40 years ago, what you've got to prove this? So you have to get a course now and get somebody to tell you how to handle things and you had to get a paper saying that.

Q: So in such an event...

A: That's right, you can say whether he is under training and it is all, lot of training it and has to be proved.

Q: So now have you planned who ever the people right now to send them on such courses?

A: Well we have. We again got a consultant to looks after health and safety matters and they are going to provide a course for that.

Q: A good business for them, because these people after working in the industry for a long period, they don't need any training, they can teach any consultants ...

A: I don't think you heard it back in the job any way, but again...

Q: Those people in the site can give them a course to those consultants in practically. Now my next question is, now again I need to know your experience, now that is how am I going to put that example, you are improving your health and safety at company level or at project level?

A: At all levels. Everything has to have a, as usually you have heard - method statements. Everything has to have method statements periodically. Mean you can't; now you are seem to be doing it. I mean the size goes sometimes. But in every operation if we talk about it, get a method statement any of those method statements doesn't have to be written. So if we're again get unusual job to do we do talking through and say you are actually complying with the requirements by doing that, but the whole industry now it seems to be banned by regulations I suppose. I mean even both driving a van has to know just to keep things correct within revenue on private mileage. May be a man has to fill a form in out saying handing ...in the company...

Q: Who needs that?

A: Inland Revenue public would, because they say, they now say we got a van. A man can join to and from work in the van and it's ...say benefits. If he goes to see his mother in the evening, he supposes to pay tax on that. So these forms I need to prove that the way everything used for company business. I mean it is all called industries...

Q: So that type of regulations are taking to...

A: It takes a few more minutes, you know...

Q: But are they really effective in one way or the other. Other than for this tax purposes, spending time on filling those things...

A: As we don't know, I suppose, for me lot of it... Got a situation where I found out, I'll tell as so ...was wrong actually. We were working in a nursery school

where the children are 3 and below ...I too among the men there, who weren't wearing reflective coats. The health and safety consultant in the county came and demanded...they were, wear them...we are also under the impression, any time you need to wear a yellow reflective jacket if you got moving machinery. But each... however the reason why you need to where a reflective jacket is, so to public you can tell the difference between a 40 year old working man and a 3 year child. That was the answer he gave me.

Q: Is it?

A: But on the reflection I did found out that in the county specification, it doesn't say that you need to wear a reflective jacket all the time. But on the day that was the answer he gave me, the reason we have to wear that. So that anybody can tell there being a 3 year old child and a work man.

Q: So to differentiate you need to have a work men construction...

A: That was the answer he gave me on the day. But the ...challenge is, but I did found out that the recent specs for accurate, that it was said that any county ...if we have got to wear a yellow jacket and we have to wear name badges all the time.

Q: Yes, one way it is good. But it should be abide by the situation where they are. In a nursery school they should all know these people are the workmen.

A: And they all work inside the building anyway.

Q: When you come to your project improvement and project performance, business performance which we spoke about just now. Which one you think should be given more priority? We were discussing about your company, business development, company business performance, project performance and now we just spoke about the improvements you are trying to make, and out of those 3, they are all coming into the same pot. But when you're approaching that, which one you give the preference. Is it the company improvements or project performance or company performance, that way...

A: **Probably project performance, where probably we should give more consideration of that.**

Q: Yes now if I ask you the question why from your experience...

A: Short term profitability probably, that way.

Q: Yes, how is it going to relate to your companies long term profit?

A: Well sort of we still keep one side, you know, or company performance may obviously project profitability will make company profitability.

Q: Do you find a direct link that every time you get that your projects are performing well. It reflects in your company performance.

A: Yes, I think you know when a job is running. If a job is running well it will make money and that would be reflecting and it would be easy to run. Which may easier to run them... well in a case we get a job where.....

Q: Yes, if you can give me an example then I'll be able to understand it bit more.

A: Well this I mention this in a job of a factory..... 18 weeks a million pound very intense job, very difficult job, I spend time there. Same supervisors and they all enjoy doing it very hard and it made lots of money which was benefit to the company and the end product was a delight to the client and everything went well. We've got another job. We want to ... through. We should have finished it last December, we're still there now and it's just grinding on. We are making any money...

Q: What makes you to be there?

A: I think certain number of jobs you can slot in sometimes and you end up with the same. You have to sort of let one go... enters into 1 or 2 or 3 projects. But if you get too many and it's not exciting for be let that one go, and it is just turn on.

Q: So now it means all your workmen are having the same mentality like you to select these exiting projects...and this is not...

A: Yes, I think I do to some degree. Yes, I mean this job with the church they won on Friday. I just thought why we're doing this?

Q: Yes you said it is only 19,000?

A: But when I went on the Monday and I was amazed that it looked...and it might how will it should go and was going. Its look good, it looks efficient ...likely to see where they are going now ...But that is completely different ...before we didn't. Everything is different everything gets change we didn't know what we were doing. We had a meeting with the architect and then we've told him how we got to do this.

Q: So that means you have come across that difference between theoretical thing and practical things...

A: That's right.

Q: Everywhere...

A: Yes, now we've come up with few ideas and we've accepted them. I think I do better job and so we achieve that. And hope I have got the benefit of that, I am not sure yet...

Q: No, if you can manage within what you have planned here, time and the cost and the stuff. Then definitely you should get the benefit. So my last question, and now we have discussed about several layers within your company activities. Now how are you going to align everything to get what you want ultimately?

A: Don't know anything for the answer...

Q: Now the question says like this, what processes and mechanisms are employed in your company to transfer the management idea? That is the business idea you developed. Selecting upon certain project based... upon certain reason and how you are going to achieve the required business performance across the company? Construction situation, it is your planning to go for a certain project... and now how you are going to pass down that this is what I want from this project. Because if you just let it go, if you just leave the people, in the project to do it. You never know, just by sitting here...

A: No I think, reading the question. I think we're almost doing it now.

Q: Yes. You are doing it. What processes and mechanisms are employed in your company to transfer the management idea in what should be done to achieve the required business performance across the company?

A: Almost arrogant to say that we are doing it. But are we in your interpretation?

Q: Yes, you do it, but are you doing it consciously in certain ways, or in certain steps?

A: No, I think on it be perfect to say in 35 years old, we never really had planned... its been ...you know it happened.

Q: Yes with your experience that would have happened. Can you tell me something... I know with all the construction companies, most of the construction companies at this level it is the case.

A: That's right, we know. Yes I think these... individual areas of planning which is not so integrated. I think that is the conclusion to come any way.

Q: Yes how can we integrate all these activities towards the business performance of a company ?

A: From appointing our general manager ...

Q: Will it improve the business?

A: It improves the business, improves the profitability yes. But I don't know if... now I can I do it...

Q: That is what I'm trying to give back to the industry, a recipe to how you have to integrate these things. I'm trying to get what you are doing. But without knowing this is what you are doing.

A: Going as I don't know...

Q: You gave me some examples like this. The answer if some way they... how you make your business performance better by attending to these things. But is it happening in a top to bottom level or bottom to top level? Now if I ask the question, if your site people tells you something, we should do it like this, not the way you are telling us. What is your reaction going to be there?

A: I'm always surprised that when I'm leaving to it... The quantity surveyor might have say that they end probably 95% of it. But after the end of June is more efficiently than I will do. Specifically one chap I'm thinking of, that he would run the job probably better than I would. Which he got everything, I mean heon the job concentrate as everything get from his finger tips, you know. That's the answer for you question I have to say.

Q: If he comes with an idea, so you always give him to go a head...

A: It wouldn't refer to the idea to me when I would less interest...you know. Let's choose a big health and safety issues or something. You know or financial issue we just getting the job done and organizing things, he wouldn't refer it to me.

Q: And you have confidence,

A: Oh yes.

Q: Usually don't have in other people?

A: Yes, that's correct I would say, yes.

Q: So if I put it to attitude of that person, is it correct, attitude or identity of that person?

A: Yes, I mean one of these only failures of this chap I am thinking is that he has difficulty delegating himself sometimes.

Q: OK. Thank you very much for all the information

Stage2 – Interviewee A2, Company A, 2008

Q: So now, last time you described me the situation of the company and everything, I have a small narrative about it. I will give it to you.

A: Yes.

Q: And then now my research has progressed a little bit further and this is actually clarifying what you have said and again, I'm inquiring in to a new area also. How do you transfer your management ideas regarding business performance to the project level?

A: Right, OK.

Q: Are you still working at the same contracts manager level or ...

A: Yes, because is a small company than ...from rather way it through. But yes, that's my job title.

Q: So you can give me lots of information then. Because I am m trying to see how these management ideas are translated or transferred from one level to another level. So since you are working at both levels you will be very resourceful for this project. So my first question is how do you describe business development in your company now?

A: It regards to pulling in work or the business itself?

Q: How you pull in work?

A: At the moment as you well know that the industry facing doing gluing with everyone talking about and not putting forward projects. But because we have, as a lack, we work for very; I should say our works comes generally from architects within the local area. We have any work within sort of a 25 mile radius. So we are quite well known within that radius and if we have a short full of work, then we have a ring around on to see what projects are available and what project are going to come out to tender within those people you know within the architects, within the county council and see whether we can go on to those. So that's how we chase of our work. We don't have the title as such...

Q: So you don't have still any business plan or anything?

A: It is very hard to try and plan the work sort of things. Because you don't know what's available. Especially at the moment, of with the client and economy, it's very hard to do any program in such a way. It's a more a case of trying to get what work is around at the moment.

Q: So you don't have any selection, whatever the type of work available you do.

A: Well we do, obviously but it depends on how hungry you are as a company, you know and how little work you have got on at that time. We have done work recently. That we probably would not touch last year or year before. Sort of, had to take the view of, that's there are any work around. And we have first sort of taken step back and...type of work as well. You know, we have been able to be more selective over the last few years. It's become quite hard over the last 6 months since January really. It's the work stand up and it is nice and as not as much work around and a lot more people are chasing that work.

Q: Yes I can remember last time you told me that you chose certain types of work. You don't go for every type of work.

A: No, we still don't really do everything and we wouldn't go as I say we tend to work within a 25 mile radius. And that's really work we would like and trying to keep within any way. And that's how we based our work. It's choosing that work within that radius.

Q: My next question is how do you describe project performance in your company?

A: 5.06Project performance is down to... is down to a number of factors really, depending on how much work we've got at a time and what type of job it is really. We got and... we've had a number of jobs on that mean... that you need to be on site for a long period of time rather than just a quick limited time scale job. You know, so like at the moment, it's more of a design as you go along. So in that respect then its...their performance is relative to

what the architect and what the client actually want to achieve rather than what we would like to achieve. We'd like to be moving along a bit quicker, but in those circumstances then we've got to just, you know go at their pace.

Q: So that means when you are doing your projects, you always think about other's requirements rather than...

A: 6.28 Well, obviously we've got limited resources within the company as in labour wise. So myself and Bryan would have a meeting and discuss what jobs, what projects we have got on. And how best to service each project with the labour that we've got. Each job obviously got a... we would have a program, even if it's a program that changes due to the design being changed or the design evolving as time goes along. So certain jobs obviously we've got limited time scale. So you must perform within those time scales. So that criteria is set down to us by the client or by the architect. So that performance we are governed by and we would just perform within that criteria via a program and then pass that on to our Foreman and they would try and meet that program.

Q: You don't have a project manager in your sites.

A: We have a working Foreman they tend to be, yes they are sort of site project managers. But they are not really, they are working Foreman.

Q: OK. So my next question is based on the above answers now you've described me your business in the company, your project performance and how do you link them in practice in your company in terms of management of activities and people involvement. We can use these activities or events [pointing to the list of activities in the questionnaire].

A: Because, it is a small company, it is limited that's regard to, that these 2 officers run the projects.

Q: But when you say small, I have categorized you as medium based on your turnover.

A: Well yes. I mean in small in respect of numbers of people work within the office. So there are only 2 offices physically to run the projects. So that means from actually organizing the project, ordering our materials or organizing the labour and plant etc. right through to revised costing and then final account. So we do, we run all that as contracts manager. We wouldn't pass it off to different departments. We have to do the whole project and say from basically the estimator, if we won the contract they would then pass it over to myself or A1 and then run through the project and handed it over towards the rest of it. Then up to the final account and even doing any maintenance period. Then it would be left.

Q: But you have sub-contractors working for you.

A: Yes we do.

Q: So how do you put your targets and your company targets to them?

A: **10.25 Basically a programme is set for a project. We'll then just look at the project ascertain, what external labour is required. Some projects obviously require specialist contractors or just normal general sub-contractors that we would just pull in, just to give us an extra lift. Because we haven't got enough labour to service all the contracts. They would (a) either be or known to us or (b) they are given to us by the architect or client. And then we would just set their or our requirements for the project and give them a limit.**

Q: Yes, How do you give the target to them?

A: Well either via a program again.

Q: Programme, what sort of a programme you use here, is it a bar chart?

A: **Generally a bar chart because of the ease of overall understanding it. Rather than critical path and anything like that because you know you can have a quick glance and every one understands. Then really it would be then via a specification that we would obviously come off. And then come off the main specification and drawings and then pass that and they got to obviously meet that along with the... just how well that they perform as well really. You know, making sure that everyone is happy with their performance with regards the cleanliness and keeping the site tidy and the client happy really.**

Q: So now when it comes to appointing sub-contractors you are supplying materials. You get only the labour from the sub-contractors?

A: No, no all the time, well most of the time they are supply and fix. So, yes generally it would be if there are sub-contractors, generally they supply and fix materials and labour.

Q: OK. Now my next question is going to be, would you kindly explain with you experience how business development is influenced or not, through project performance? I would like to give me some examples as well. When the company - you and A1 decide something and then you have to perform it at the project level. So that performance how it will affect your decisions taken at the company level. Is it always tallying your decisions or...?

A: Generally yes. It is, you know, A1 would issue a directive to myself and then on to the site operatives. But we manage the jobs, I mean from the office but on site as well. So we go there, you know we visit site and trying explaining things on site.

Q: So now that directive is in which form? Is it a verbal one or a written one?

A: Well, both really because obviously with health and safety it might, after which s documented as a written risk assessment and for a particular operation or generally I would say it is a verbal, verbal instruction.

Q: So how do you make that decisions in your company, you and A1 or you go to the site and make the decisions?

A: If it is just a site decision and it would just be, who obviously is running the job and either me or A1. But its generally it is the person who is running that project.

Q: OK, so you all three get together and make the decision?

A: As I said it depends on what the decision is. If it is general, something about the site, then I would answer it. We would make the decision on site whether it to be with the labour that on the site or myself or then if it needs extra information with the architect or A1 as well, then A1 work with his further experience.

Q: Could you kindly give me an example there, how you are trying to work it out- the company decisions to match with the project performance.

A: Well it is as I say one project at the moment a high spec. house, it is been an ongoing project for about 18 months at the moment. Initially we brought in this just to repair existing house and putting some new floors. Since then it involved and it is been 2 further phase of work. One being court house, refurbishments and then the 3rd phase is the phase of refitting the main house. But as I say the design is been rather slow and evolving rather than having a complete design package and it is been more of a case of design as we have gone along. We then had meeting with the client and the architect and then specialist contractors been mechanical or electrical.

Q: Now in that situation as a company how do you trying to make decisions at the company level, because you are saying now the design is not complete. It is also progressing as your work progresses. So how do you make decisions in such circumstances at the company level?

A: Normally we try it at our project meeting to, for say, any forthcoming decisions that we need on site. If they haven't been picked up those meetings in time, then we normally will be contacting the architect as and when they occur, trying to get some information or how we understand the problems that we encounter and then get the design or a method of what he wants or how he wants to overcome these.

Q: So you have a project meeting and the decisions are taken at the project level and is it going to affect your company decisions, now you need to get more jobs or something like that, but you still have a project...

A: Sort of, yes, because if the work isn't that carry on with that project, then we got to try and find work for them as well on other sites, but generally we get just

a minimum... crew on that site or just work through and just floating through that project. But it is a very time consuming project both management wise and labour on site.

Q: Yes, that's why, now my area is management, how do you manage such a situation?

A: Well it is difficult because as I say, because it evolves on a daily basis really. Although we have got a basic design of what, but we don't would know details to finish is. So when we get to a certain point or certain room, then we have to go back to try and clarify what that sort of action client actually wants. So it is hard to say that, it is just dealing 3 ways with the client with the architect and with ourselves. And that is important for every party that helps decide those problems and decisions you know that things.

Q: So what you are saying is in other words is like this, as a company you can't take all the decisions.

A: Definitely not.

Q: And let the projects work the way you want, you are tied up with others decisions.

A: Yes.

Q: So, now when it comes to your company performance your company business performance, it is affecting it, am I correct?

A: Oh yes, very much.

Q: So what sort of remedial measures you take to maintain your company performance the way you want it?

A: **Do a lot, Shelton is the architect, try to make him make decisions and get the decisions from the client basically. But it is...probably just one off, well hopefully one off where is run alive and it is very much ...design and ongoing design and ongoing design meeting really.**

Q: The other projects you don't experienced such problems?

A: No. definitely not. Those are very quite large contracts. But also it is difficult because the client is not very easily satisfied.

Q: So if you could give me another example where you can keep up your company performance the way you want, but doing a certain type of jobs.

A: We just finished, well at the moment the turnaround is quick at the moment. Just finished number of projects very short, sort of 4 or 6 weeks projects. We started refurbishment of office buildings etc. We have got scheduled items. They are got to be done or refurbish and then I see jobs. You know exactly what you are doing everything is itemized in the schedule. You then split them up in to your labour and run through the project and then sub-contractors get them involved through a program and make sure that everyone sticks to our

programme. Well you know through the building and the nice easy jobs with start and finish dates and normally giving them no changes to the schedule. Then they can start and finish the project accordingly.

Q: Yes, now how do you make sure that the project performance is what you expect as the company?

A: Obviously we've got a costing into each individual item. So we have got to do make ensure all obviously got checked. Whether it would be sub-contractors' price again, what we allowing for. That you need to work or and, from that you need to work or establish how long it should be taken our own labor to do that work.

Q: So, that means you are doing a comparison between your own labour and sub-contractors and giving the job to whoever will be profitable for the company?

A: Yes.

Q: OK, my question next would be... are you doing any business improvement at company or project level. Because now last time I remember you told me that the company is bit of a stagnated state. So I want to know now again, are doing any improvement to your company and projects?

A: Well as you say it is very hard to do anything at the moment because of the economic climate has dropped, often and it's hard to predict anything at the moment. I don't think anyone and most people in this area are struggling for work. So everyone more worried about the issue, worrying the work they got on and trying to keep and getting that work and in through the door.

Q: So that means you're just trying to survive at both levels, in company level as well as industry level, you just take some work and try to maintain the company, to sustain the company?

A: At the same level basically without reducing or getting rid of the any of the blokes.

Q: So in such a circumstance aren't you going to do any improvements to you projects trying to save more money or more time or something like that?

A: It depends on project requirements, really what work you have got on that project. Because as I say, there are 2 people running the projects, if you got normally we would probably run 2 or 3 large projects each. If this more allowed tend to be at the moment, tend to be more number of smaller projects. Well that paper work for each project obviously actually same whatever the size of project it is. So you lose time, trying to chase around in more paper work for the smaller jobs. So it is hard to trying then spending any further time to do any more cost analysis or improvement on the performance of the project. Rather than just saying what you have got in, for a particular item and making sure that you do within that scope.

Q: could you kindly explain with your experience, how do you handle business development and business improvement in your company? Now we will just forget about the current economic state here. If you go back in your memory lane, when there were lot of work and you know, things like that. The same events A to B in the previous sheet [questionnaire].

A: Well, generally that would come by A1 and [Mr. X] the 2 directors. They would sort out how the business, or where the business is going to evolve, or moving to. So you know that is taking away from my sort of...

Q: So then when it comes to improvements, aren't they looking for improvements through you, to the company or to the project either way?

A: Well obviously they are looking for me to make money for them. Make as much money for them as much as I can, whether that, how we run our job or, how quickly we can get through that work. And whether we employ different or new sub-contractors then that is down to me. You know that decision is down to me and how we establish new sub-contractors in and how we make sure that their work is fixing of without, you know. Letting them lose 100 projects before they have proven themselves to us. So that, those decisions are down to me and as well A1.

Q: That means you are 100% in charge of projects, project performance, what's they have chosen the wrong jobs?

A: Yes on the jobs that I run, because obviously A1 also run 2 - 3 jobs and same for me. Now at the moment probably 4 of are there...

Q: Now when it come to these 3, business development, project performance and business improvement, we'll consider all 3 together according to your experience what do you think which needs to be given priority and why?

A: Obviously the business as a whole comes first, because what we are already trying to...

Q: That means, business development?

A: Because obviously we are trying to form a company that makes money, basically a few are involved, but then project performance is the next critical thing, because most of our work is on word of mouth and is repetitive work from the same client or from the same architect. Then we have got to ensure that our performance and the quality that we give them is constant or the quality is constant and the performance is obviously whatever their requirements. That's the most important thing and that's how we manage to get our work and how we keep getting our work.

Q: That means it has a direct link between business development and project performance?

A: Definitely, and it is without sort of a high quality of work that we give, we wouldn't get half of that work that we have had, and that we do get. Because we would know that we can deliver them a quality project. That also does means sometimes that, it doesn't make as much money as it should have done, to make sure that you give the client that quality product. Sometimes some projects definitely have a made anything like, they should have.

Q: Could you kindly elaborate on that, you can take an example.

A: Sometimes brickwork or whatever needs come to a certain standard and to achieve that standard it takes a brick layer 10% 20% longer to make sure that the brick work is clean, tidy and to a standard that people are happy with basically. If we are going to build 1000 houses on our site, is a lot different to build in 1 individual house to a high quality finish and the finish is very much more under the spot light on a bespoke house. So you got to ensure the quality remains and sometimes the time scales are lengthen to achieve that quality. So in that respect it may be longer than actually allowed in your pricing. And therefore, you are obviously you are not making as much money as if you shouldn't have done on those items. Whether its brickwork or whether it's plastering it is just all those finishes that people do notice have got to be that right and got to be the right quality.

Q: So now to improve that situation what do you do?

A: Well obviously we try to give the blokes as much responsibility as that they wish on site, busy site operatives. Without putting them under a too much pressure. People obviously love to know that they are important to us. So trying to give them a stable position working for us in the company. Basically the... factors, just to giving them a stable position, a good package of money etc. and trying to build a good team work within the labour that we have and it does improve the performance and it does ensure that we get the best out of the blokes and give, pass that on to the client and you end up with a quality product.

Q: Yes, so what you are saying is project performance is important and then project improvements are also interlinked with your business development.

A: Yes, definitely.

Q: Now first you said that business development is the important thing, because the company has to be there to supply the project.

A: Well it has to be there to give everyone the job. So obviously that is the most important. So the company is the most important item there and then from that you decide whether what type of work if got on and then for establishing what quality is required. Because now all the projects we do, are of high quality requirement or high quality finish. But it depends on that project, individual projects.

Q: So you are trying to improve the projects based on the team working and giving them more recognition and giving them more package and so on, to get a good quality job to in-term to lift your business performance of the company .

A: Yes

Q: OK, now my last question is now what processes and mechanisms are employed in your company to transfer that idea. Now you mentioned, business performance of the company is important and it is achieved through good quality projects and how do you make that mentality in your project team... what you have to do to get these done or something like that.

A: Well I have to say that is, it is really, we are not a company that really, is very hierarchical. We do trying to work as a team. We try to sort of, within our operatives that, they are part of our team, everyone is important. No matter what trade or whatever level and their input is always welcome. You now if they think I am doing something or a particular operation wrong or in bad method, then they are all welcome to tell me. If they got a better way of doing it then we'll sit down and discuss it, if they are willing and you know, we take them on board and we do that if it is better for the company. And that's what we

Q: That means in your case it is actually your decisions are going out from AI through you to the operatives. But in the same time from the operatives also you take...

A: Oh yes, because they've got, most of our operatives are, I would say senior in age to me and have vast more experience in years on building. So of course I need to pick their brain and get their knowledge of them as much as I can do. Because, they have been doing that much longer than I have and have come across more specially on refurbishment and old buildings. You know they are more aware of things.

Q: The future problems?

A: Well, you know anything...it might just be the way that something uses to be built. Particularly I am not a trained trade's person. So not really that, I have obviously picked up quite a lot of knowledge along the way but in some respect I wouldn't like to say now everything about every individual aspect of building. So you got to rely on the blokes to help you and boost your knowledge to get the job done. In that way you're completing that circle of a decision making. Because you know, something is going to end up with the right outcome, because you are taking in every ones sort of view of the best way to do it. But obviously at the end of the day, I'll make a decision based on economics and the best outcome for the company. It might not be for the fact that it is cheaper. It might be for quality or it might be for economically, because, it is cheaper. It just depends on that situation and what that project or what that activity means to the company.

Q: So, now here you value projects but more than that you value the company performance, am I correct in that statement?

A: Yes, Well obviously yes. I think it is right because we wouldn't be here if we didn't make any money, you know the company wouldn't be here and therefore no one else would be. So I think that's right. I think that the company comes first and then what work at last especially at the moment. We got to look after the company to make sure it survives through; you know a down turn in the economics and...

Q: So in that that aspect, what you do at project level. Now you work company to survive in this bad economic period, so what measures you take?

A: Well obviously, it regards to, you can't come back or we work to a specification. So you can't come back on the quality of materials or anything like that. You just try to work within the boundaries that you have been given. Whether it is the specification, whether it is just a drawing etc. but you just trying get that and then I would take the estimators notes and just make sure that we are working within those boundaries and if ensure that if any additional or changes to that are noted or brought up with, to make sure that things are do get picked up and not forgotten. So extra items or changes in specification can be re priced or gain back at a later date.

Q: So that means you are not taking any extra measures, you work at the project level in a normal way.

A: Yes. Well any extra measures regards to, no because you can't you got to do the project as it was planned. You know you can't. We would probably take a view of what other work is available or what are the work will be coming available to the blokes. So if we haven't got work for a certain trade we might not let out to sub-contractors. We might keep that for in-house for ourselves or even for other trades within our company to come and work. If it is painting or something I have to take that work on rather than handing out to sub-contractors and try to do everything or try to as much as we could in house rather than submitting out to anyone .

Q: So that is one measure you take.

A: Yes, I think so really.

Q And is that the only thing you can take in a situation like this?

A: I don't think obviously we just try to keep rest of work going on that area, a bit more who and what projects will be available and speak to the architects that we normally work for and just make sure what is done on a weekly basis. What work that's coming in to their practice and what work we can offer them to do that work.

Q: So that means you are doing some development things also.

A: Yes, obviously generally that is left to [Mr. X] or the estimator really, because he goes out and tenders for the work. So he would do that ringing around and he would speak to them. But obviously we, myself and A1, coming to contact on a daily basis with the architects. So you do speak to them, you do let them know that we could do a few more jobs. We are bit short of work ...whether it is carpenters or bricklayers, that specific time and see whether they have got anything available. We get to ring around to people. We don't have a maintenance division as such. But we do and have done a lot of work for either the district council or the XXX housing trust in the area. If we have got spare decorators or spare bricklayers or spare carpenters, I phone around and just say look, you got these available is there any maintenance bits of pieces that you want us to do or got coming up. And we can use these blokes on. That's another way that we just trying keep our blokes going, just by doing that sort of work as well.

Q: Those two methods, I can say that those two methods are the mechanisms you use...

A: Yes you can say that.

Q: to maintain the position of the company?

A: Yes.

Q: If we go back to this question, now you said the management ideas are not always originating at the top level to the project. You will get the idea from your operatives as well.

A: Yes.

Q: But, with your experience could you explain it bit more. Which way is more profitable to the company to handle an idea which is originated at the top, to pass it down to the lower level...

A: No, it depends on operation really. Sometimes it is more efficient just tell the blokes, this is what operation what we got to do. This is the methods that we are going to use. By set them a task set them a goal and tell them to do it. But, if it is a complicated series of operations and then it depends on the nature that they are working within as well. So if by carrying out somewhere that is going to affect or be affected by something they don't know going to do. Then sometimes it is if the blokes on site, because I am not a project manager or such. I am not on site 24 hours a day or as the same as they are. So you got to take their word and their judgment, as been as good as well. Which is what we are expecting from our blokes. We try to make them feel better more of the team and as I said most if the blokes are at the age, where there are quite responsible people any way and you know you obviously build up that sort of team and you have a feeling of who can put more trust in, you know and who can rely on to do different work. You know

we have the same tradesmen, say 8 to 9 carpenters to put. You know their different capabilities and levels, you know you might chose 1 or 2 carpenters over other carpenters because you know that they are most applied to that particular operations.

Q: So, the management decisions you think that it should be taken at different levels?

A: It is generally obviously myself and A1 makes the decisions. It would be that anything that alter that just, whether or not, one of the guys on the site thinks it is the better way to do it or it is not the right to do the way that we have said to do it either, because it is not safe or there is something on site that changes the way that you can't do that operation, and then you just take his view and make a decision whether that means having to visit the site and it is the time to go and have a look at the program or you talk the view on the phone and speak through the problem on the phone and take that decision. But generally they would, I would expect if it is going to vary from the specification or from the method that I have agreed on site and they would always contact myself or whoever running that project, before they make a final decision and carried on.

Q: OK. So in your company it is allowed for them to carry out or to change or alter the decisions you have made and to go ahead with jobs. They don't have to wait until you go there physically to explain the situation or something.

A: Yes, as I say, as long as they would normally check up that, they obviously on every project there is a site phone. So they would just check whether before carrying out something.

Q: Thank you very much, I have got lot of information.

A: Lovely.

Stage 2 – Interviewee F1, Company F, 2008

Q: I need a bit of clarification from the last one [interview] we have done. Now things for you which have changed what they are actually?

A: I can't figure exactly where we were with...

Q: Yes... actually what I have done is - these are my conclusions from our previous interview that all projects are unique even a company works within the same sector and in your case it is not valid because you are working across the market. Projects are subjected to internal company management procedures. One of them is outsourced skills of sub-contractors. The business development looks an opportunity in the company; hence business development is a forward looking process where as the project management is a current affair in the company. So I have identified that from the previous interview.

A: Yes, absolutely ... yes...

Q: Then you are doing business improvement at both levels to join them together that is my understanding from your previous interview. Then the general consensus that not the financial target but what contributes towards achieving is important. So in your company you said you not profit driven there are so many other things that looking into when selecting a job like generally, internal capacity to 10% before you focus on profits.

A: Well no...everything isn't focused on profit. OK, but drives to achieve the profit can be across the spectrum so the contributors to making profits are not just in one area.

Q: And may I ask you a few questions just to complete my previous one? How many people are there in your company roughly?

A: There are about 90 office - full time. In sites it is completely or... people are sub-contractors.

Q: What about the project managers?

A: They are also included in that. They are included.

Q: Then the turnover for those ...if the financial it has been about 40 million. Last time you mentioned that you have got two managing directors and six working directors.

A: Now it has changed, because of the take over, only 03 working directors now.

Q: They are in which area?

A: There is a General Manager/ Managing Director.

Q: Is he the same person.

A: Yes. No no... he is new. There is a commercial director and my self.

Q: You are still holding the same post?

A: I am Design Build and Estimator.

Q: That means your role has... yes.

A: Yes.

Q: Anything that you would like to tell me about this change?

A: I would like to tell you many things; basically the idea has been to keep the company very much within the framework, clearly because of the change over the lots of group functions have got to work, so things like accounts, personnel the health and safety those types of elements specifically gone to group.

Q: Right, when it comes to your actual working with the sub-contractors is there any change?

A: No it doesn't change, exactly as it was.

Q: Last time I can remember you were mentioning that you wouldn't like to incorporate another team of management because you don't want to change between your company and the project.

A: No, it hasn't changed.

Q: What is the main motivating factor in joining a larger group?

A: Motivating is...we fitted with their concept of industry we filled the gap the lower end of the market for them ... to cover the spectrum. To give us a huge financial backing so larger groups doesn't have problems with regard to cash flow those types of vision...

Q: So with that do you see any improvement in your work long-term some ways?

A: Speaks to very old days more months. It's still in its early days, because some of the management we... of the company has changed and the personnel has changed so it is developing that so would be probably in 12 months time.

Q: So your business development definitely must have changed because the business development idea must be coming from the group.

A: The business development is still basically staying as it was except that we have a greater backing from the group.

Q: That means you have the group directors and there was company directors and business development is done by your company directors.

A: Yes it is done by a system via company...But it is yes it is driven by the group.

Q: Can you give me one such example that you get some idea from the group and you look at it and alter it to suit your?

A: Well, I mean the group is involved in large frame work...We as a company...it is difficult for us to involve because at the site for long -term projects which are at the lower value...which clearly from the group's point of view, so we all work together.

Q: My next question is how do you describe project performance in your company?

A: How do you describe... We have a certain focus indicators which are specific towards us but also ... those are so end of the project we review it using KPI's. Also during a project and we measure KPIs and from those results we know where we are at.

Q: So that those results, are you considering it at the board meetings?

A: Yes we do consider it as it is part of the agenda.

Q: For each and every project or as a corrective form

A: Group directors are already aware of that before board meetings are not necessarily ...

Q: Directors, do they sit in any project meetings?

A: Oh., yes, yes... each project is reviewed on monthly basis.

Q: So I thought it is the standard case, directors are sitting in company boards and the project managers are sitting the project meetings.

A: Yes that is correct. But each one is reviewed on a monthly basis from the financial point of view.

Q: Now in case some emergencies during the project how such ideas are transmitted?

A: **10.20 Generally, there is somebody from senior management looking at the project every week. So I might have a Project Manager or sorry Contract Manager he goes there at least every two weeks. I've got a project coordinator he is going there every two weeks. So somebody from the office is visiting the site.**

Q: So under you, you have a contracts manager and then you have project managers under you. Now these project managers are covering one project or ...

A: It's not quite like that. If we take that that is actually the directors' under them there is a senior level and then there is the site level

Q: So these contract managers are at the office.

A: Yes.

Q: Then you mentioned that project managers they are also part of this 90 people they are your site based employees. Now these project managers they handle only one site per person

A: Yes one in one site, but contracts manager may be handling 3-5 projects.

Q: My next question is, how do you link your project performance with your business development in the company.

A: how do we link project performance with the business development....

Q: The methods you use...

A: Yes, that's a good point; I will come back to that OK.

Q: Next one, how is this business development is influenced or not by project performance? You can give me a small example, within your company. Some people whom you ...

A: When you say business development when you are talking about future projects,

Q: Yes your long-term view.

A: OK, I suppose the linkage between the two is process of interaction with the directors because the directors are setting up the business development, it is not a structural approach... there is... we go through this type of review and to a degree driven by the market anyway ... so if you talk that business development at the moment then certainly the business is coming through the government initiatives rather than private institutes whereas if we took few years lot of business were private initiatives....new projects so you have to take it ...

Q: Now this particular environment the economic down turn has affected the company some ways.

A: It has because we got to change.

Q: In which way?

A: Well, if you look at a share of what we were doing say 2 years ago we were working with developers either as housing apartments projects and also of those commercial projects and that type of work is diminished so we place them with the local authority sector education, health... which is... help.. so that .. although we are working for many years because we know the company.....from as those-----

Q: My next question is, are you doing any business improvements at your project level or at you company level?

A: Err...are we doing any project improvements....It's a evolutionary process, if we find...how do we do lacking in area we try and close the gap. We... we have a management structure, we have a...methodology and we follow that and if the result is lacking then obviously we consider improvements.

Q: When you are tendering for jobs that your quote is based on norms or standard of quality of work such as ISO 9000 so that it self ...

A: We follow that.

Q: ...when you are tendering for work?

A: Yes we go through the standard methodology.

Q: Is that the standard requirement in practice or you can have your own standards?

A: For each department there has a flow chart when a tender comes when we win the work we do... to know what's going on in this site... gap in that when we... we do that with improvement sheets. That's how the directors monitor what's going on... by continuous improvement sheets.

Q: This system is happening basically focusing on the projects then focusing on the whole company and not limited to projects, by doing improvements to both sides. Is there any examples, you can show this system in operation?

A: OK, issues with managing defects with projects...it's going to be like... contracts manager communicates to the directors, so the whole defects management is as a company-wide process. Contracts manager do the original job we put in a process ... in more on a structured manner.

Q: Now, when you are dealing with such improvements across the company wherever for some reason do you give preference for such improvement and at which level?

A: Of course we decide on everything.

Q: You are not focusing just on projects, improving projects and delivering business performance.

A: No

Q: So that means you can't tell me anything that you are giving preference in improving your overall business performance. Everything which has to be improved the same way.

A: Yes, whatever comes along?

Q: How do you manage the business development project performance and business improvements? Now these things have to be tightened together for generally business performance and you are thinking that you are going to do these types of jobs and business development level with a long-term view and long-terms plan and then you are currently engaged in projects which has a short-term view

A: Yes...and you have to do improvements in same ... standards... join them together.

Q: My last question is processes and mechanisms that are taken in your company to transfer the management idea what should be done to achieve the business performance across the company? Whether you try to instill it like a control management process from top to bottom or...

A: You can't run a company on dictatorial basis very early on ... we can't demand respect, you earn respect by earning respect people look to you for management...

Q: So in this some ... giving them leadership by example?

A: Its leadership for the directive ...there is more encouragement to go on certain directions...

Q: So how do you identify them?

A: The dictatorial are...one has to do, company legally and financially...

Q: You have adopted a system in your company to maintain that your projects are performed in the way you want to generate your business performance. You try to do it in controlled manner as you said legal part and financial part and at the same time you try to go for what is the best way to... cooperatively or...

A: Yes I mean things are... they have to do...and therefore encouraging them to do

Q: Now in yours case it is the sub-contractors who are doing the productions, do you have some specific set of regulations or procurement contract to work with them?

A: Form a contract with them.

Q: Somewhat linear to your contract with the client or you are adopting the same contract?

A: It is the way basically back to back contract obviously restrictions with the main contract. OK, we ... it is very... we work on the basis if we lay down the... somebody to work... basically

Q: So that same work you try to adapt to what your work with the client.

A: Yes it is said in the contract.

Q: Shall we come back to what we have... your experience how do you handle business development and improvement, if you can give one example please?

A: You have to give me time to think about.

Q: OK, I will just send you this [questionnaire] highlighting where I need examples. Do you have any idea that I can get from you about business performance what does it mean to your company?

A: Well, the main ...obviously that you are recovering a overhead and...So that's the main As you go the... produce quality project on time and so have to have at the end of job a happy client.

Q: What do you mean by making a happy client, do you have any intentions of getting more work coming later on

A: Obviously looking for the future so by happy client ... not necessarily from him because he could ..have colleagueswho want quality company.

Q: So do you have quality assurance system with a separate director?

A: Yes a separate director. The quality assurance which is one of the things we are talking about

Q: So those directors are at the... There is a group director and there is responsible to maintain it? Then in the projects you have the defects manager to go to each and every project and look for defects.

A: The defects manager is actually making sure that defects that are rectified. ...our project if the...defects they are managed correctly.

Q: So can I take that as an example for your company towards business improvement?

A: Yes, if we had a certain defect at the time ... report, then we look at the defect...Then it comes to sub-contractors, the type of contractors just a supply or is it just a labour contractor...

Q: So in your new project how do you decide it?

A: Basically if you take a good client...

Q: So is this a company thing that you adopt or you do it based on the project in hand...So the performance what you see if I summarize it the way of profit generation to the company that is how you see the best performance basically.

A: Yes. Yes

Q: Is it because of this economic climate or

A: No no...

Thank you very much for your time I have got some of the information.

Stage 2 – Interviewee G1, Company G, 2009

Q: Let's start our discussion. Last time actually you gave me a very good understanding of [company G] construction. And there I found one word which you have used "cost base". Is it possible for you to give me a small clarification, before we start?

A: Yes. The cost base is effectively the cost that company runs on. Which should obviously a mixture of subcontractors cost, material supply cost, its overhead cost. So the aggregate of that, those altogether is what are we called the cost base of the company. Some of them are more flexible than others. Obviously, but that's the terminology I would tend to use for the cost of the company, right.

Q: OK. It is like your expenditure.

A: Yes.

Q: I got that understanding, but I thought it is better if I get the clarification.

A: The important thing being, is that some of those various elements, some are more flexible than others. Some are rather truly fixed in the short-term. And employment cost would be those that would be changed medium or longer-term. Some of them are quite flexible. If we buying concrete for our every project, then that cost would be flexible in the context of what the market is, rate of the market at that time.

Q: Yes. And the other thing now, there is a big difference in the economy.

A: Since we last discussed, indeed yes.

Q: I want to get is your understanding about this - how these economic down term has effected in medium sized company first of all then small and large because you have the experience of that.

A: Yes. I mean, I was working with my certain respondents as well. Since you know I am a novice active director and chairmen of number of different companies. And also go for the West Midlands best practice club and ...some where we are getting the fare amount of feed back in there. I think the answer to that question is it depends on which part of the construction market the company is operating in and by wherever it's stationed. I mean there is no doubt the housing, I mean a company that solely serving the housing sector, you know is very bad at the moment. It is struggling at the moment. We all know that there are number of private houses are being built probably going to be less than half of last year and could be little as last year and the downturn of any market sector of

that props in, 50% plus is bound to and have a huge effect on the market. In contrast if a company is in social housing which [company G] is, it is a fairly good market. It is always to get some competitive pressure coming in from the other sectors. But nevertheless it is in a better sector. The water industry which...another SME ...again that works on a different business dynamic together with asset managing plan of the water companies. As a generality, those companies which are more involved in the public sector spending, education, health, local authority building are probably better off than the those who have a fairly high proposition of their work in the private sector are working for developers commercial and industrial. I think those later companies which are probably finding the sort of heat particularly at the moment. By way of prices dropping and the amount of volume of activity of decreasing. But it is in all industries and I see a chance for a competitive price between those. So, as a whole the industry is all output dropping as out of that, our prices are dropping. Both on input prices, suppliers, sub-contractors and also staff, inflation is dropping, I don't think going negative, but I think the construction prices are flattening and are striving to go down.

So lot of staff on the market who can't find the jobs at the moment and they are quite severe pressures for the industry. Particularly in the contractors for training and development of young people. I mean the all of the companies are worrying about keeping the apprentices for example and having that work for them. So big changes, yes. And I think the industry expects to go on for a year or so depending on the extent to which (a) either housing market is stabilizing and picks up and (b) The extent to which the government manage to maintain the public sectors to coming through.

Q: And when it comes to [company D- forced into administration] it was also involved with public sector, am I correct?

A: It was. Yes, but the [company D] I mean [company D] actually had a good order work, was making money out of it. And good staff, good suppliers and the business with the [company D] was fine. I mean it was making the money and cashing the bank. The effect on [company D] was, because of its parent, which was... which was housing related.

Q: So they were not operating autonomously, those 2 companies?

A: They operate autonomously but the actual crucial thing which is the bank account which is a ...and this is not unusual in companies in groups of companies. Each company is joint in separately guaranteees overdraft facilities and of each other. So [company D] has 3 million cash in the bank. The housing company had an over draft and 2 together netted off to a point where the bank weren't able to support the housing company. Therefore, the construction

company, but that's not unusual with combined groups. I think [company C] had a similar problem. I don't know exactly about that. And [company E] has gone for administration recently.

Q: Yes. It is another company in my study.

A: I mean the same sort of thing.

Q: Thank you very much. What you said is these companies have an effect from the economy. But some companies which are dealing with government funds, public sector housing, schools and those things. They have a better chance than the people who are working purely for the private sector.

A: Correct.

Q: So it is irrespective of the size of the company. It can be small one, medium one...

A: Well I think the other dynamic is to do with the way they work is laid. Particularly respect to longer-term framework. So I suppose the best place of company would be those that got long-term frameworks in the public sector. So things like building schools for future, will extend and the left primary care model. If you got MLD frameworks, or if you doing single living accommodation which gone over some years, then those are relatively, I say relatively not totally but protected. I mean there are reassures on that market. So that's the best expectation the worst and where almost working almost exclusively for private sector, housing or commercial, industrial and almost securing ones work on individual project by project. So you're always looking for work. So good, bad and a whole range is in the middle of course.

Q: So [company G] I think it is in the good...

A: [Company G] actually has got to long frameworks and it is in the good sectors. So [company G] is in much better place than many construction companies. Yes.

Q: Thank you. Let's go back to my questions. Now some of the things actually you have answered previously. This is just to find clarifications for them.

A: So I give the same answers again.

Q: not to go back where I have this confusion. I thought it is better I start from the beginning.

A: Yes.

Q: So the first question is what is business development at [company G]?

A: First I differentiate business development from continuous business improvement. And I will come back and talk about that later.

Q: Yes. That is where I have the confusion.

A: I do think they are 2 different things or bit like there is business improvement within business development. But that's separate. What I see as business development as just a process by which the new owners revenues are one for the

business. And that's and therefore goes across the range of sales and marketing series. And sales and marketing, it might be different. But both coming to business development, the industry tends to confuse the two. It tends to talk about business development manager or business director and who is offering just a sales person. But to me business development is both marketing and sales. And I think you can split it down into that process by which the order. These are one from the existing offers to existing clients and there the process is about insuring you know the one is positioning that oneself to win that new repeat business for clients. And the other hand developing new offer is for both existing clients and new clients. So business development is about looking new offering at the market place and the making sure those are sold affectively to client. That's what I would describe as the business development, business development process, what happens within [company G] yes.

Q: Then the other way you have you projects, when the business development unit doing businesses or create businesses you have to do it.

A: Projects, yes.

Q: So they are coming in terms of our construction projects. So they are managed, controlled by some other people. So what is the project performance in your company?

A: OK. I think it is important to just remember the projects aren't just necessarily the construction project. It could be a business development project. We could say, we are going to move into new market place and therefore we are setting up a project to facilitate or construct that change.

Q: Yes, it is not be a construction project always.

A: No, and therefore some other work that I would call them project, they are going with a... might be an IT project. You know we are putting a computer system and that would be defined as a project. It is not a construction project. So one needs to remember, you know that there are two types of projects. But the main stream of the business, it is about actually about delivering construction or refurbishment. And I think the project performance is the process by which we actually monitor and review an action, delivery against quality, time, cost and other already defined client outputs. I mean that's what the performance of that project is about. And one that expect to develop KPIs of measurement to measure each of those and then to review and feedback from them. Does that answer that question? Project performance is to meeting the specific requirements of the project in respect of quality, time, cost and customer outputs.

Q: OK. So that is your project performance?

A: Yes.

Q: OK, now how do you link them in practice, your business development and project performance? Now, what I mean by linking is this, when you work on that business development you have long-term plans these projects, they have quite specific targets, so how do you link them together?

A: 11.41 I think the overall linkage comes via the business plan isn't it? I mean when I have a business plan at the company and in construction always best to think about 3 years business plan. 3 year time scale but reviewed annually and the first year of that being a detailed action plan. So 3 year plan saying we're painting a picture where the business is going to be in 3 years time. And then various milestones along the way, and quite detailed milestones and actions in the first year. Okay so the business plan therefore says from a business firm point of view, I am taking the [company G] as the example, 2-3 years ago we identified the Welsh decent homes market was a market coming up, we know for that sometimes Wales is somewhat behind England in time scale, they were learning from the England's experiences So business plans says we need to form a foot hold in Wales and develop the business in Wales. Out of that then comes a series of business development activities to ensure that we understand the market, we understand the customers, we position our offerings and we recruit the people, offices and all those things to actually get a base in Wales. And part of that the first line or one of the lines of that, then is to secure the first project. So secure the Rhondda it's actually happens to be in geographic terms, the first decent homes' project and that becomes a project. So we're then delivering that project is part of the overall business development activity of developing a Welsh region.

Q: So that project, now you don't stop your business development program just by securing the project.

A: No, not at all. I mean business developing in Wales continues. So we continue monitoring what opportunities coming out to build on that. Generally if a construction company is geographically expanding, it will get, rather than opening an office look for work, or it will look for a key project to be the sort of pebbled ground which should develop in that area, that's how we did it in fact in [company G]. So we carry on looking, I mean we regularly monitoring all the potential opportunities in Wales, just taking Wales as an example, making that we are pre-qualify we're getting on the list, we get the opportunity to bidding, Since then we got to the housing association list. I mean we are just bidding other works in Wales so far and now business development isn't directly related. It is not a matter of saying we must have that project. Therefore going with it, once you won it, forget about business development just see the project.

Q: Yes, you go on looking for some more work.

A: Yes.

Q: But now the project activities are not done by the business development unit.

A: Not generally, no.

Q: It is done by another team. I want to know the link between them. How they satisfy - the project team, how they satisfy the thinking, what the requirements are of the business development?

A: 14.45 Yes. I understand the question. Bear in mind even within the business development there are a number of stages. And probably the back end, the first thing is actually get out there and find the opportunity. One of the later stages in business development is estimating. So in estimating I would put in... I really split the business into pre-contracts and post-contracts. I get to the stage when the job starts on site and then actually delivering. So the pre-contract function which includes estimating will build up a big portfolio of information about the job. Both from all the specification and price stuff. But also, the basis on which we won the job. And most of our clients now do give us feedback; they obviously say what they wanted to be achieved not just in price terms. But actually in softer issues and generally have measures and KPIs on those softer issues. So we would know what we need to do to satisfy that client.

Q: One or two examples on those soft issues please?

A: Yes, I mean one of them would be tenant's satisfaction. If we are doing, I mean decent home process involves just going into affordable housing properties, tenants in properties and refurbishment with the tenant's initiatives. So one of them very important in KPI is the satisfaction thatwith the service we provided. And that is split down into, 'do we give a notice, what is going on, do make sure they have a toilet available all the time, water at night and connection is available to the bathroom and whatever. So generally we'll have a number of KPIs either set by the client, most clients will give those, and if don't we will agree with the client before we start. And what are the KPIs we have ...cost KPIs which are running concurrently with our timely completion KPIs we will say, part of the bidding process that all the work we are doing in a given property would be done within four weeks or six weeks. That would be most as well, so as a graph KPI information coming out which is largely customer satisfaction.

Q: So, that is your end of the business.

A: 16.52 So, all of that actually is a big portfolio, I mean a huge box with all of information. We then have what is crucially important. This is the linkage in the two. A project handover meeting where the full responsibilities of the project move from pre-contract team to the post contract team. Also often

from one director to another director. And that's the point, not necessarily, because what we are doing in [company G] actually is the director is responsible for all work in his region as well. The certainly he moves one of his teams an estimating team to a production team a construction team. And that project hand over is very important. Therefore we have a quite a detailed agenda, a list of activities and discussions that we deal with the project handover and to make sure we bring the project or construction team up to speed. The industry isn't very good at doing this. And is particularly criticized in PFI bear in mind PFI projects take a long time to come from initial concept to even to get on site. And PFI clients will typically criticize the industry, because they meet a whole... all these people up here who was winning the job do not ever see again and a whole new team comes. But that is the way the industry tends to work. And we have our regional directors ... are responsible for work winning as well. So they at that level will oversee all of that process. So we don't swap from one director to another. It goes from estimating team to production team and a QS team. But we don't actually swap directors and that's quite important.

Q: Face for outside is the same in your case

A: The senior face is the same.

Q: But the teams actually working is different.

A: Yes

Q: So when it comes to work relations, how do you join them together?

A: Well I think by effect...effectively having of feedback loop. One of the important things is to get a reasonably continues feedback from the production team as to how they are doing. And as oppose to what the estimating team particularly, actually thought we'll be doing. So we do have various formal post contract feedbacks where the team sit down and actually go through all the feedbacks that necessary. But probably even more important now, day to day basis site managers feeding in for example in...concrete supplier etc. So we won't get a competition at the concrete. I mean it is just an example. So feedback is the important.

Q: So what sort of mechanisms you have for feedbacks? Do you have monthly meetings between these two teams?

A: 19.30 A fair amount of it's anecdotal which just happen when it needs to happen. Somebody just sends a notice from site saying; found a good carpenter up here who actually will give a lower price for carpentry than we thought we were getting. That would be the feedback in estimating process. But we also do have a very long project we will have interim feedback sessions as 4 or 5 formal feedback sessions and shorter projects will have one

at the end where we measure , we take in all customer satisfaction, buyers satisfaction whatever, how do we do against our KPI s and particularly learning points to go back in to the process.

Q: Yes. That is towards the end of the project.

A: Usually after the end of project, yes.

Q: That information will be useful for another project?

A: 20.16 Well, it will... because it will be generic information. A lot of would be about the client and we also be feeding back if we find ourselves a client that's pretty good to work for or a client... where their ethos is very much aligned to [company G]. Well the team will be feeding back straight away look, you know - This is a good client , We can do well here and we can satisfy them, we can make some extra money and therefore the business development team will take on board, well obviously therefore need to make sure any opportunities going with that client are to put on very high priority. Conversely we might actually find a client quite difficult to work for, and therefore that would be feedback, you know - Don't put that the top of the list, next job that comes on we may be on the tender list but actually we need to be careful on that.

Q: Then that means how you are doing is you are adjusting your prices, if the client is difficult to work, you put a higher margin.

A: 21.05Well, not just prices but most of the criteria. I mean it might be the time. It might be that takes longer to build for certain people because they are quite slow decision makers. In which case, we need to feed that into the contract programme. Ultimately everything comes under prices, but it is not just pure price.

Q: So now your business unit, you said there is a business unit.

A: Which is a region basis effectively.

Q: Yes, the region itself is acting as a business unit?

A: Yes.

Q: But you had a business advisor, isn't it? A girl... a female person, is it the company D?

A: Company D there is one region, where the company G has a number of regions, where I called business units. Yes, that is...

Q: They are responsible for their profit and loss. Yes, I can remember...

A: They do have central services provided by company G centrally in respect of, as we do central estimating but the regional director is taking part in that. Human Resources, IT, buying in parts in financial tend to be central services. The regions will have business development functions and will have a production function.

Q: Yes, so the business development unit is also headed by the regional director?

A: Yes, there are roles in business development manager. But he will actually make sure that, I mean he is actually going to be in the team of people. They are deployed and working for with the regional directors.

Q: Yes, now that is how you link your activities at two ends. There are new people, the same head.

A: 23.00 Yes, same head but apart from that there would be different teams. I mean I think with the client, I think it is important, we think it is important that you always keep one personal contact on the ground at all time. I mean ideally you have at least 3 levels at organization. And you got good relationships between the director and the head of the client and then the contracts manager and the site manager. Ideally and this is not necessary able to do all the time. But ideally you only change one of those at a time. So out of 3 relationships at any point in time you're actually only changing one of them. So if for some reason that relationship becomes difficult you got 2 others to rely on. So to use our analogy the Regional director stays in contact all the time. So that relationship is there and the other 2 would tend to sort of you know the contracts manager will get involved earlier on than the site manager will. So we will gradually move the team over, not just have a point in time as far as the client goes. Because construction now is design and build, tends to be the designers and estimators are working with the client for a period of time. But the important thing as you say is, the overall director is responsible.

Q: Next one is kindly explain with the experience how business development is influenced through project performance?

A: Yes, I suppose if by business development we mean market positioning and we are all the time looking and taking information in, on how the project is doing as to say just...I am feeding that back in. So good clients, bad clients, new opportunity... I mean for client would say a lot more work to be done. Then actually that would feed back into business development and that would become the priority. Because generally... a good client to work with we would rather be doing work for than our existing clients. Then actually going out all the time for new clients and so I think that positioning, the market positioning is informed all the time by the time, what are our competitors are doing. Secondly what the market is doing. I mean as an example the recession as the housing market is dropping fast, well we have to go to...I want to work in-house. If it can't go to... customer demand and then how actually performing. So that in one point in time all though we don't do this, actually very analytically we would either be looking to increase our activity with particular the type of client with particular offering or decreasing it or maintaining it very constantly. So if we want to do this and we

don't, because it is done in the mind really... But we have a big matrix on the board and say which of those actually are pointing out, which are pointed and which are stable. I say that's informed by both the project performance, but, also what the market is doing. I mean we have a very good project for somebody, but it might be the last project.

Q: With that client.

A: Yes, so that the client may have no work after that. So we will not see that client as a very important for new work. Because he has got no work to do and once it is done in the program we will to done it and we won't have any more work. Whereas, if we got any number of phases so we can win future phases, so that is very important to us.

Q: So, how do you make that relationship with the prospective clients, now when you know that they are going to have some more work in future?

A: OK, when once we are working for at the moment, well that's where we come to a certain selling type of activities. I think we generally make ourselves known in an area. We obviously make personal contact and we do that as much as possible by people that we know and so if somebody we know in housing association in Birmingham for example he is moving to North West. We use that as we got a good relationship with them and this happens a lot in the water industry which might be the companies' works in. The engineer do tend to move around, senior manager and director tends move round and we use these sort of opportunities and that's the best for us, where you got somebody who knows us and actually who respects us and like us and therefore he or she will then introduce us for their team. Well, also after PR activities, so we make sure we take our space to conferences and exhibitions. We make sure if it is possible... speaking on something, you know that will... We'll raise our profile. So, specific contacts with people like, letting in work at the same time general profile raising. Because generally it is not just one person within the clients that decides that [company G] will be in selection list. It is number of different influences, so it is important that we understand that who might influences themselves might be customer s themselves, it might be the advisory architect, it might be the legal department, and we generally try to find out who those decision makers are and make sure that we are known to them and respect them and by hold them. So that is how we actually developing new clients. It might be simple just picking up the phone and say you know, "we understand that you are going to build this", we don't do it very similar to the other client. We'll be thinking either personally giving you a service, come and see this. And often they say, yes, I mean, calling without would be called and that is very important that we do.

Q: OK. So my next question is, do you do any business improvement these days?

A: We do.

Q: Any examples of those...

A: Yes, we do again business improvement is I think, I suppose it falls into two parts we do try and encourage the team to be to always looking for the things that we can do differently to make and delivery more effective. So the bottom up approach I suppose and particularly encouraging the directors and functional managers, chief estimator, chief accountant what ever to be looking always to be more efficient and to be within his or her team, then we encourage to get on with it. If it is a project and it might just be show the project, they can do. And it is job finished and the business is improved in that respect. It might be the resources implication, it might be the people, it might be the consultant, it might be... in which case we would expect that director or functional manager to put a proper person saying I think, this part of the business is improving. This is how I or we should go about how you're doing it. And this is the resources need to do that and the board would need probably certain size certain chain to endorse that. So with that we turn to a project and as my earlier point we can have business improvement project as well as physical projects on the ground.

Q: So, you divide them in to small boxes like.

A: Well, it depends on how complicate... I think if it is done within a department generally we probably expect the department to get on with it. If the chief estimator says actually we can improve our estimating process by buying a new piece of estimating software and it is relatively cheap, then well... get on with it. Where I think one needs to be bit more formal is where it's cross functions in the business. So where the business improvement doesn't just rely on one particular department or one team but needs a number of teams to engage. In which case one would normally look at sort of setting up a steering group with representatives of the various departments and particularly then have a project champion and I think the more complicated that business improvement becomes the more the project becomes more important it is to have a champion for that. And if its a big project it would certainly be a director level champion but certainly there need to be somebody taking the responsibility for that because in my experience we have a cross functional cross departmental business improvement project, then the all of them will say ...they should be doing that and they're doing that then we got to have a coordinator and a champion so that's the sort of process. Now if they are particularly big projects we would normally expect them to be picked up through the business planning process. So in looking forward for 3 years we will be saying actually between now and then we actually need to improve the efficiency of

something that we do. And then that would need to be faceted into the business plan and resourced. Normally there will be a cost implication on that people or equipment or whatever. So, the bigger the project the more formal it becomes the more need it is for approvals, monitoring and resourcing.

Q: Yes, now what you said is - when you are doing any improvements in your company you have a project champion appointed to over look.

A: Once it is a certain size, if it is fairly simple somebody need to get on with it.

Q: My next question is...

A: I mean in the example, not in the [company G] that... well there are number of things it highlight. I mean examples would be, there is a business improvement techniques NVQ which techno and [group H] are operating at the moment and that is training of their managers business improvement techniques and that is actually quite important because there are tools and techniques and processes the most important thing is including business improvement. So, we find that very useful and that involves in our lean construction and all sorts of other elements. Supply chain we're involved and getting supply chain involved to engage in skills upgrading and whatever, and that's another business improvement project involved is BREEAM. There's host of stuff going around and environment improvement of buildings which we looking at improving our performance.

Q: You said BREEAM?

A: 33.07 BREEAM is the Building Research Establishment Environmental Assessment Method. BREEAM. I only use that. Because most buildings now the environment quality of the building is governed by the BREEAM standard. So clients says my new health center must be BREEAM excellent and what BREEAM excellent is, that thing comes down to energy and waste and water and all aspect. That is one of the things that is very pertain at the industry at the moment. Therefore, if we put a fair amount of development in our team in that regard. Well all of those to me, become business improvement examples.

Q: But as I can see there is no one particular section who is heading this business improvement. It is all part of the regional directors duty.

A: No, not always as regional, the commercial director or it might be the one of the functional managers, chief estimator or chief accountant

Q: Depending on the type of the business.

A: 34.12 Yes, I think it's dangerous to have separate department doing business improvement. Because the danger is that, separate department having health and safety or a separate department doing anything else, because the problem then is the main stream of the business then understand

it as that's their problem, let them get on with it. And the main stream of the business doesn't engage in those things. I mean to me Health and safety is a core aspect, business improvement is a core aspect, Human resource managing people managing are core management issues what we do.

Q: But, human resources you have a separate unit.

A: Yes we do. They provide a support, they provide a service and support to the team it is delivering.

Q: In the regions do they have their own human resources units?

A: Well, they do actually, yes, but I mean the point of the central department is to provide a functional excellence. So rather than five different regional HR people having to know everything about that HR. Then to provide the systems and infrastructure... So we are investing one of our business improvement projects last year was to invest quite heavily in HR systems which actually makes much more efficient. But, taking out some of the complicated and time consuming manual processes. And that was actually lead by the HR department...and these are only successful by the regional team picking up the...so that's what the situation is. That's not the one department doing...

Q: So, business improvement is just like projects, in a construction company it is an ongoing activity.

A: Well, absolutely, yes. And I'll come back to this point. Most of the business improvement piece of work becomes projects in their own rights. Might be small projects might be done on a week, I mean it might take 2 - 3 years but there are actually comes down to a project and then, therefore, managing like any other project with time scales and feedback loops.

Q: Next question is what needs to be given more priority and why, now it is out of these three items which we have discussed business development, business improvement and project performance.

A: I don't think you can actually answer that. I mean any point in time there need to be any priority and any point at the moment; it is about the cost reduction. There is no doubt that the clients are looking for a cheaper construction actually and therefore...

Q: Does it reflect your business improvement then?

A: Well, therefore it becomes a project. I mean one of my businesses we have said, the likely hood is, when the water companies come out to bid you know say for five year framework, they want a 10% of reduction of price. So we are running a project a business project, to actually say how can we take 10% of the business. That is because we perceive, that's what the client want. Actually at the moment, this is the state of the company cycle particularly about cost reduction.

But I mean to me it is a business improvement project, cost reduction. It is improving the cost base of the business; it is making ourselves more effective.

Q: Now if I put it like this - now your business development is a long-term thing. You are looking ahead; project performance is a short-term activity.

A: Yes.

Q: And this business improvement, is it somewhere between those two?

A: No I think it can be either. Cant it? I think my...

Q: Yes, in cost reduction project. I mean that would be a rather severe as 3 months time schedule, a project for example. I don't think you can actually say it is one or the other. I mean because business improvement projects are of different sizes and scales. If I say it is a medium term -concept, how about it?

A: I think it is one has to be flexible. Particularly in smaller businesses are got the ability to be more flexible than larger ones. So if we perceive a need, then we'll get on with it generally and the bigger the business, the more fatigue it is to get that it in to way. I mean when one talk a bigger business where somebody put a personal business improvement project and 3 years later get sanction, well the smaller the business generally the quicker the internal handling and Stepnell is a good example. I mean Stepnell are running businesses with 20 employees and very customer focused, very good in what they do and if they want to do something, they get on with it and they make all the statements OK, "We can do this, OK. Let's get on with it. Yes and we can be with it" in a week or so.

Q: So business improvement is not a concept in a company between your project concept and the business development.

A: No, I think it overlies both of them. I don't think, it is a...

Q: It is not a separate concept.

A: 39.08 No I don't think so. I think as far as we have pre-contracts and post-contracts as we've identify, so we got business development if you like and construction. But I think business improvement actually overlays both of them. And I suppose let's take an example. If we found out from a client and we are really do, that we're not meeting their aspirations, we are falling short of what they expect of us. That may well involve business improvement in both of business development function and the project function. And therefore the teams there would be working together to an overarching business development project. A lot of work what we do in business improvement projects, you know is little chunks of this in construction or in business development or whatever. I don't think you can actually say they are 3 different functions, project performance, business improvement and business development. I think the business improvement overlies the whole lot.

Q: That's actually the tying in taken between the business development and your project?

A: Well, it is one of the things that ties them together. I mean also the feedback loops that going on, which aren't about business improvement. I mean they are about actually feeding back performance data. So it's not the only thing. It is too simplistic to say it is the only thing that ties two together.

Q: OK, so all the meetings and everything now are not they coming from the concept of the business improvement. Now you have project meetings to feed it back to your business development.

A: Is what coming from the concept...

Q: Those meetings, the concept behind it. It is not the business improvement or it is just a formality in the company?

A: I don't quite understand, we are getting...

Q: We have these meetings, project meetings in every month to get data, project data and feed it back to your business development unit.

A: Yes.

Q: So that concept of having meetings every month, is it something coming from business improvement or?

A: No it is not. It is coming actually from project. In that case project performance, because if you have a monthly review how you are doing, there would be number of actions that come out of it. Some will be business improvement projects if you work on that. That just relates the construction team. Let's say we have got wastage in concrete. We monitor our concrete delivery and usage. We finally attempt that, the wastage is actually not much against 3% or 4%. Business improvement project put into place quickly, probably in a week to find out why that is? What we are doing about it? So the job's done. There is nothing to do with business development. So I think you are tending to look at business improvement as just a big overarching project. I think you should look at it both of that. But also for every one of those, there going to be a ten or dozen or whatever going on within the individual business to make things better all the time. Now all the estimates...

Q: Now that's all the examples you told me, isn't it informing business development, something about, cost or something for their future jobs?

A: Well, it may well it is a good point actually. If you take my concrete example so when investigate why we're using more concrete. If it's something onsite, that we're doing wrong rather we're handling concrete or wasting or whatever or will patently that's something that can be put right on site. If it is a generic issue which we're going to have that problem whenever we do it, then that would be feedback to business development, you know and the estimating function. And

bear in mind the estimating function tends to sit across the two there anyway, but that is pretty good example actually of things that need feeding back and things that actually be sorted out on the project.

Q: So in the long-term that your focus is going to business improvement that will help you to tie in your project performance with a long-term performance of the company by any means there can be a cost or it can be people.

A: Yes, I mean in part, it is not, I am trying to get the cost. It is not the only linkage. I mean there are feedback loops any way.

Q: What are the other feedback loops other than that business improvement project you set up there?

A: Well I mean feedback loop would be, this client a good client and he has got a job coming up next week. That's going to be business improvement. That is pure information. That's a piece of information which the contract team gains from his monthly contact, which it passes back to the business development team. Which then make sure that we actually pre qualify for that work, that opportunity has coming up.

Q: Base on the present work by doing it better.

A: But I mean that's nothing to do with business improvement. That's to do with market Intelligence flowing backward and forward. Isn't it?

Q: So you do quality, you do customer satisfaction project by project. So isn't it a part of your business improvement to make the relationship with the client?

A: Yes, it is. Well and it becomes a business improvement. If a feedback identifies a ...programme for example, say the most obvious example, if we got a 100% right for a client and if he wouldn't ask for a business improvement project, we wouldn't, we will be can't improve. If we got feedback and said other contractors' comparisons are quite important there. So if there are 4 contractors working on a project and the other 3 are scoring in 60s and we are scoring in 40 very rare example, taking that example which is very rare. No need that rarity, then we would say, OK, we need to put some work into place call it a business improvement project to be... to understand why we are falling short and what we can do for that. So in that case customer satisfaction prompts the business improvement. But if customer satisfaction is meeting its criteria which it usually is, which it wouldn't prompt and don't get the idea of every piece of feedback or automatically becomes business improvement.

Q: If you are meeting your target it is fine. Now here my main question is this, business development is looking at time a head.

A: Yes.

Q: And they want to reach a certain target cost wise or job wise or some departmental...

A: Generally revenue levels, profitable revenue levels.

Q: And then these projects are working autonomously.

A: Yes, well, reasonably autonomously.

Q: How these... what the company needs in terms of future targets is transferred to projects and how the projects are going to be shaped up to, to gain those targets rather than losing them?

A: Yes, I mean by looking at them, one is to do with, making sure that information is clearly actually moved from business development to pre contract and the post contract.

Q: Yes, now in your case your regional director is responsible for pre-contracts stage as well as post contracts stage. So the information loss will be minimal.

A: Well, it would be less than it would be in two separate stages, yes. Well this is also dangerous actually something losing in the translation.

Q: Now you said you're organizing meetings at the beginning of a site.

A: We call them handover meetings where those who have been involved in the pre-contract function, make sure that everything that is need to be known. It is transferred to the post contract function simplistically.

Q: OK. Yes that is within your company that meeting.

A: Yes. I mean that is fairly coming from the industry I think.

Q: OK. So sub-contractors are also invited for such meetings?

A: No this would be a higher level meeting. We would actually the estimators would tell, the surveyors are going to take the contract through the sub-contractors. They were actually based on the price, so would say OK, we are based our plumbing price on this job on x, y, z plumbing contractors. That's not to say the contractors surveyors have to use x, y, z plumbing contractors. But they know that actually, that's why. So their job is then to find out whether a different and better quality of service and value could be tried out.

Q: At less price?

A: Well, not the less price, better service. It might be the same price and the better service. But that's an illustration. The worse case would be, if the quantity surveyors in the project team didn't actually know what we had based up, plumbing price on and when other sub-contractors go higher prices whereas actually the estimators know, we want to go less. I mean hence the importance of the need for that transfer. But I do stress I mean some of the things are transferred by way of base data. But not by way of the instructions to do it that way. We'll provide a programme to our contracts team. They don't have to use that programme. Their job is to actually looking that program value engineering into it you know and see whether they can deliver it more effectively.

Q: OK, so in that regards I can't see any business improvement is involved there. Because you are given the job, you are supposed to do it. Either that way or better than that.

A: Well I think yes, and you can say better than is a business improvement project. I mean that's going all the time. It is not set up with the site manager then say, OK, I am not going to cite a business improvement project to reduce the programme time by three weeks. It is what he does, I mean he will look at the programme and actually try to cut time from it. Because that's what he does. I mean that's so fundamental to what site managers do. You know it is not called business improvement, although it is business improvement. It is actually reducing time. I mean Business improvement is something where I think over above what is going over any way.

Q: Yes, making it better.

A: I mean also the things people do as part their job. With the buyers, the buyer's job is actually to buy something very competitively. I don't say today I am going to do a business improvement project, to actually reduce the price of that concrete from £ 20 to £ 18. They just do it. They actually do. That is part of their job. So I would see as business improvement projects only when there something more than what we should be doing anyway as part of their job.

Q: When many people are involved and

A: Yes.

Q: My next question is now when it comes to the priority, you can't say that means, business improvement is need on that.

A: At any point in time if that one of those contracts or business development has a priority. It is very dangerous to say that all the time do wonders, because if it does you know how business improvement doing very effectively.

Q: So it is depending on the nature of the...

A: Lots of things. What ever the business is, see the evolution, where the market is, what competitors are doing?

Q: And all 3 are necessary?

A: The point I am making at the moment, this moment in time, it is about cost reduction... This time because it's quite difficult to get cost reduction out of all. Because community prices are rising quite rapidly and the best we can do is reduce the rate of inflation whereas now we are looking at cost reduction.

Q: Now cost reduction I think it will be possible now most of these materials are coming down.

A: Absolutely yes. Clients are expecting that. So we've got to make sure that we can demonstrate we are reducing cost.

Q: OK. The next question is how do you manage business development, project performance, business improvement, now you have given me some examples. So we can leave that question.

A: Yes. I think. It is sort of, I mean the overall is about clear scope of the project. It is about setting measures, KPIs and objectives and targets, timescales to projects. I think it is about having a champion. It is about having a responsible director. It is about having a steering group for complicated projects and if it is a very big project, it is about actually being including within the overall business plans of the company. And I think all of these are important ingredients, making sure that...

Q: If it is a very big project how do you tag it with your business development activities?

A: Well, the business plan I described will have a number of actions that come out of it. And one of the actions actually will be to deliver a large scale business improvement project in the area. IT is a pretty good example on that, you know, now if we are going to change the accounting, therefore it is a major investment. It will have a spin of diverse of the business. It is a cost involvement. So that will be part of the business plan. You know we are resourcing by committing that amount to our cash flow here.

Q: My last question is what processes and mechanisms are taken in your company to transfer that type of an idea. It is a management idea or the Management body takes that decision? Now you said you have an IT project for accounting purposes, it is a business improvement project and what should be done to achieve the required business performance across the company, is it happening from always top down?

A: No I think it is both actually. I mean the ideal is that everybody in the business is looking ways of improving the business. Now the real life is not that sort of. Some people like to carry out job which is by their own. Generally speaking the better projects do come bottom up. Well somebody says as part of what I am doing, well this is my part of the business I think we can be better and this is how we should do it. Because they are then putting that project forward because they are really know what they are talking about. The other way round is for management to look at the key ratios and benchmark with competitors and say we are on the economic or on the competitive in this. Therefore we need to evaluate it and that then it is top down, isn't it?

Q: Yes.

A: But one would hope, before that happens, the bottom up approach is coming through. But inevitably projects tend to come from both.

Q: Now isn't it something business improvement in that way. Business development unit devise the idea, we need to do this and then the project people come up with the solution. Meet some where midway there...

A: No I don't think so. I think business development, in my definition it is different and business development is about actually about developing products and services to make the market place, customer demand the market place and that might be within that. In product development phase which isn't business you like. OK at the moment example for [Company G], actually would be reactive maintenance. We don't do that maintenance at the moment. But we are at the moment carrying out some research to find out whether our clients want to combine what we do, which is a plan for maintenance with the reactive maintenance. If they are going to do that, then we obviously need to develop a reactive maintenance get booting. If we did then that would be a piece of work that a new development project wouldn't it? Because it is something we don't need at the moment, something we need to do and therefore that would be a project development project. That would be my way of observation of how would business improvement would fit into business development.

Q: Going for new markets finding new products so on that is the business improvement.

A: A simple piece of business improvement within business development would be, if the source manager or the business development manager is not effective in their phone call techniques. So they're ringing to people and getting any requirements out of it. Why is that? We need to look in to that phone manner for example. Might be basic training required actually with an objective of getting phone calls, I mean that is business improvement isn't it? Very simple example, but that's how I differentiate between business improvement and business development. To answer your point, it is certainly not the case, that business development projects always originating business development. They can originate...

Q: At project wise.

A: Probably, more lightly on the nitty gritty level to originate from project.

Q: So that is the case for construction.

A: I think the best is bottom up. But ideally, realistically it has to be a mixture, top down and bottom up. Top down by saying we are not bench marking against our competitors in this regard or our customer satisfaction. Therefore we need to be just to... Bottom up, people are saying we can divide our competitors by doing this...

Q: So in that aspect, how do you see the leadership, customer satisfaction, quality plays a role in that regard...

A: Well, all come down as measurement don't they? I mean our overall delivery, we will be measuring ourselves against quality, cost, time customer satisfaction, arrange KPIS and so on. And the leaders job is the, the leader ...regional, or even site managers as a leaders make sure a particular KPIS which he or she has to are delivered.

Q: Thank you very much for your time.

A: Have we covered everything?

Q: Most of the things, yes, all the questions were answered.

Stage 2 – Interviewee H1, Company H, 2008

First part conducted on 05.11.2008

Thank you very much Mr H1. Now actually what I want to ask you is a few questions just to round off my previous interview. I don't think I will take longer than half an hour to 45 minutes.

A: Ooh!

Q: Half an hour is too long for you.

A: Oh yes!

Q: Let me then quickly get information on the important points. What is happening with your business development right now with the company?

A: My business development which is the growth of the... and the residential project in Company H has been stunted by the uncertainty currently in the affordable housing market. So we are seen a... a no growth at the moment. That's because our clients have to re-assess the financial appraisals of schemes because they can't rely upon the same value they were going to get for their shared ownership sales and there's a lot of things going on with the housing corporations and trying and increase grants for their developments. It takes time to get sorted. I am pretty optimistic that when they get through this period of uncertainty and things often role again. When they re-adjust to the new circumstances, then we will be quite well placed because they still want lot of affordable houses. So I am quite optimistic for the medium and long-term future. Short -term is little bit difficult but I am sure in the next six months we'll see things begin to pick up again.

Q: Do you have some projects currently?

A: Oh yeah! yeah have about 12 Projects on-site and a number that are progressing towards going on-site.

Q: OK. So are you preparing any bids also?

A: Oh yeah yeah... there is... we constantly submitting prices for schemes.

Q: OK. Next question is..., what's happening with your projects these days within the performance side?

A: Performance is very good. There is a big focus on minimising defects at handover, err... we are driving down this agenda of having hardly any defects ... at handover that they pick up..... It is difficult to get to zero defects because... the assessment of things is very subjective and there are people who take the view that if they don't find any thing then that they are not doing their job. People are only finding very few items that don't need too much of attention, and that we will hand over generally on the same day that they do a final inspection.

Q: So that means your people are trained over a certain period now?

A: Oh yeah! They work progressively through the course of the job to err...there's all the milestones in the process and they don't move on onto the next trade until the previous trade is being checked out and signed up. That means when we get to the end of the job there is not many things that need to be done before you can hand the property over for final handover.

Q: You are working with a selected set of subcontractors?

A: No. We are trying to do is that... Now that the private housing building market has been suppressed considerably that a lot of people are now looking at contract housing or affordable housing as an alternative means of getting their turnover, but there is a more supply of people there than the demand. I have to turned people away very much on the basis when people who were loyal to me when everything was buoyant and... they were people who were work with me then, I remain loyal to those people now and only allow the other persons to come in that who has achieved high regard for the private house building work and also willing to take the same view towards affordable house building work.

A: That's right.

Q: You are not going to work with any subcontractors..,

Q: Next just to round it off; I think it is of people's involvement I can figure out from your previous interview. Now I need to you know what mechanisms are taken in your company to transfer the management idea? What should be done to achieve the required business performance across the company?

A: Probably that one you have to talk to Dr.H2 about it. Actually, company suggestions scheme which rewards people for their good ideas, so anybody at any time can submit an idea and there is a financial reward if your idea is deemed to be worthy for consideration. People within Company H are subjected to performance review every year which enable their careers to move forward... and I think Company H by their investment in training of people... we achieve most of our business performance subjective across the divisions. We do have a policy of trying to setting target of increasing the turnover 20% per year and company

will perhaps just fail to meet that 20%, mine for example- suffered a bit of a standstill because of the economic climate at the moment.

Q: Personally don't you think that 20% is too high a target?

A: No I think that is a pretty good target set as... it is not easy to get it.

Q: It is not only for housing, it is for the whole company...

A: Across the business yeah... they generally look across all the business divisions set the same 20% target growth for each individual unless you can persuade the main board that it is impossible to do it.

Q: Are you doing any business improvements either in your company or in the projects? A: Yes, all the time.

Q: If you can kindly tell me what they are exactly, just a few examples

A: We are now focusing in ... as I said... on reducing the defects. Reducing the defects seminars of the houses... getting people into train them about what is property inspection about is among them... and the company in general sets business improvement objectives every year, which is where Dr. X is involved. So the individual divisions took forward their attention and we are monitored against it... we have been progressing for longer objectives. We are targeting delivery on time, so delays on-sites are also being targeted to be reduced and I have one particular problem, that affect my work which is getting the electric mains installed which is posing a problem err... then my contracts tempted to get delayed.

Q: Why is that problem?

A: There is lot of procedural things taking place that involves these days with E-ons. There is actually a new connections customer service seminar taking place on Friday which we will be attending we are in discussions with E-on about improving this system. And I have to say is that first time it was put on testing failed, so I am in back into with E-on ... in which way we talked to them how we could improve this system because that the first time is put on testing is failed. So there's discussions are going on at the moment about putting in more robust arrangement is in place and as a result of this failure... people at E-on are jumping through roofs to avoid further problems. I am not particularly keen on this idea of this reacting when there is a problem, what we want with them is to be proactive... we want to be sorting these things out, so they do not affect the progress of the job. 11. 12 To give you an example that ...I can hand over the first house after 18 weeks that we've have started on-site if all the processes that may be required to satisfy the electric supply...and I have to proceed down the route that they have at the moment it takes 36 weeks before I could hand my first house over. So that's a joke isn't it? Its nonsense - something has to be done about it.

Q: So you were not aware about that 36 weeks?

A: We were been aware of that for 12 months. OK, we managed to get E-on onto the table to talk to them about how silly it was, and the... thoughts we got... system in place that will going to show that procedure but when it was put to the test it failed, so still is an issue... it has to be resorted.

Q: So that installation takes 36 months?

A: 12.26 36 weeks Yeah...Because, they have to get a lot of legal things in place. It's the legal things that take the time. And then... I would need to explain to you in a little bit more detail if you want to, with more information what is going on... probably the best things to do is we will be changing no point in allowing it to continue as it is. The whole purpose of this seminar on Friday because E-ons is keen to find out from clients and customers like ourselves... what are causing those problems. So that they are going to do some thing about it. And I have already said that there is no good we making with the people I did, and because they failed. So I said I need to speak to people in most senior positions of E-on to get these arrangements more robust way. Thank you very much.

Second part conducted on 02.12.2008

Q: Today, I needed to find out from you more about the relationships with the sub contractors.

A: Oh yes that's right, that is I think where we stopped last time. Well, we have a select few people from each trade three no more than four. We do not use a stratagem approach where we just go on to all on sundry everybody to check the cheapest that is available we always speak with a chosen few and no people believe they are entitled to have all the work and they realize that they have to price the work they are only pricing amongst the select few and the work tended to be awarded in a combination of price and ability to deliver. If any sub-contractor, our member of the supply chain then embark trying to claim excess problems from us and being what we call commercially sharp then we have a system. So that I can see what these people are up to where they are obliged to right to me to explain why this and their price didn't include for the things they are now claiming and to be paid extra for, so that we come to see what they are up to and anybody then assumes aggressive commercial policies towards us where work with them to say that's not the way we want to deliver business if they don't change their approach then we will drop them in supply-chain because probably one will see people to give an realistic price doing the scheme anything priority not less with lots of small printers to call it where in others little captures here and captures there and I mean get on deliver the product and nor

there is extras involved so we can build on it. Also they are expected to perform to the programme. If they don't perform to the programme again we have a word with them about their failure to deliver into the field and fortunately for Thomas Vale we enjoy a situation which is that people that are in our supply-chain, one - have the confidence that Thomas Vale are a company that top financial substance so we are not at risk to them financially, two - we pay people regularly a long time and they are not I think to go constantly chasing for money some contractors deliveraccording to the contractor's willing, and three- we are very ... supply and people genuinely have an entitlement and we don't ignore all the chosen their ... we considerate Thomas vale basis and to be entitled to something and we pay them besides.

Q: Now the type of contractual work with the sub-contractors with the same like your main contract;

A: Thomas vale has their own sub-contract order terms and conditions which again are not order us we have payment terms which are 42 days which are the average in the industry. We are careful to see that and we don't set ourselves apart from the other contractors neither we too generous in paying them early or we are holding on to catch for too long by paying people late, so we are always keen to pay people on average right in the middle of where the broad scale is across the industry.

Q: So the contracting work which is not based upon open-books like your partnerships?

A: We don't have any open book schemes now the time in do well OK.. so we are always committed ourselves to a price. Their price remains firm and at the moment although there are some moves around to go on open book perhaps I think the economic climate is changing all those views and find now the people are reverting back to a just want a price from a contractor all risks we have to take the risks if risks sharing anymore becoming the rarity and its going a big backing time to ... there really what goes that is there is a ideal price that is given for a scheme that's what to get there and there is no longer any interest to go on open books process.

Q: If I ask you an approximate percentage like your price and your sub contractor's price. How do you agree on that?

A: **7.11 When we put in a scheme together we invite them to give us prices. Based on the extent of the workers involved in the scheme, they submit prices to us. Then we select from those prices that we receive which is the price that we will use in a bid. Then it becomes a constituent part of our price build up. And then we put our prelims on top of our overheads and profits and submit the figure.**

Q: So those three together you're overhead prelims and those together is roughly about 10% or 15%...prelims you are....

A: **The actual job costs generally are about just over 80% of the cost. Prelims tend to be about 11-12%, overheads and profits depends on the framework generally, it's about 6 or 6 ½ % OK.**

Q: My next question now – last time we were discussing about your company business development and you mentioned that you are given that development programme I mean from there what you are supposed to do is to implement it at the project level and to report back your risks. And while doing so you are attempting to business improvement and in your company you have a business improvement director and he works with each and every division. So from there onwards if I ask you this question what will be more important to your business improvement or business development or project performance?

A: **9.23 Well, I'm always driven by - if you don't perform well on the site then you are on the main road to nowhere and you've got to perform well on the site. What's associated with that is to perform well on the site you've got to have improvements of your performance, so the gentleman that deal with us on the business improvements side we'll work closely with them to use their techniques to assist us which ultimately means that we have a better performance on the site.**

Q: If, you can give me an example of that?

A: What you do is, we do something like... called....

Q: You can describe the process. I try to remember the name....

A: But its where we invite all the supply chain members in at the beginning of the site, and we talk through the interface issues that exist between various supply chain members and invite suggestions from the various parties as to how that could be improved and when there are issues that are brought forward than we discuss and agreeable solutions to those and then revisit the programme and generally trying that there is an improvement on the programme.

Q: So that is something like a programme management at the beginning of the project, front end of the project... Can you remember you were discussing something like that last time also, so everybody who are involved like carpenter; everybody will be involved.

A: That's right. And you get somebody saying to me and saying in the discussion, if you as a carpenter in your second fix work fix the kitchen first then enable for the people to get on quicker and that the carpenter say alright didn't realize that, now I will change where I do things so that to help you.

Q: So it is actually improving the project performance using the programme management but you may be not using the word programme management, may be using another word. You are using BS 8000 or 9000?

A: That is the assessment to quality-wise.

Q: Are you making any improvements there also?

A: No. all that we have to say people... we will deliver our product to BS8000, we are working hard on it's actually I will ...

Q: Can you remember you told me something like that last time i.e. looking for the place in this interview transcript [previous transcript].

A: Collaborative planning. Yes correct. That is the word. I have noted it as a front end fence ... collaborative planning workshop where bring all those particular issues which will be useful.

Q: So once you find out such issues are you going to make it a company thing to use it for the next project as well?

A: Yes that's what happens. We now have lot of my products are very similar because houses are houses so being through the process with houses, when we do care homes we have collaborative planning workshop and at the very first care home project and each care home project we have this collaborative planning workshop, because each of the schemes are individual and again we discuss various interface issues and how best to resolve them before we actually face among the site its next time easier for improvement for the programme target.

Q: In your company don't you have a programme unit?

A: Yes we have that. I have a planner. That works in the division and we put programmes together so we put in our prices together for the job, he would attend those planning workshops and any benefits that he can take back with him where it improved upon the programme time he will then use when he puts programmes together for future works.

Q: If I ask you this question – Are you managing individual projects or are you managing all projects together. How do you see that aspect?

A: Each project separately. There is a little activity centre, I of course am responsible for all the projects. Yes, each individual contractor is assessed and is treated separately, because they all have their own individual issues that need to be resolved and we work on the basis that one contracts manager looks after 04 projects. And I am responsible for that.

Q: In that case I can see now contracts manager is somebody who is in between project manager and you, and he is the one bringing back and forth this information.

A: You have to give me a paper now to draw the management structure.

[Drawing the company structure]

Q: What I am interested is now, you are doing business improvement for these projects, but there is no representative from business improvement in these projects.

A: They come along to those Collaborative planning workshops.

Q: Do you have any people to assess quality?

A: Yes well. But it is not the contracts managers' job. It is also! That applies to each of those [Contracts Managers] three.

Q: So he manages 04 projects. When it comes to quality now I can remember last time you said, you are trying to get more business through quality in your company. How this person - contracts manager, how is he going to manage contracts for you?

Q: There is operations manager, what is his role actually?

A: He is responsible for all the on-site activities. OK

Q: Now is he the one leading these collaborative planning meetings, or you?

A: No, them, because we are responsible for design; that is in traditional design and built contracts;

Q: What is the maintenance manager's role? Marketing... How these two differ from one another- marketing and commercial?

A: Quantity surveyor estimating, price fixing together he is placing the order for supply chain. That is who is getting paid and they are paying the supply chain. That's all the structure.

Q: Marketing person, what is his role actually?

A: Identifying new work have there promoting to compete to get there in the scheme.

Q: It is not exactly happening at the top it is also happening within you.

A: That's right.

Q: So now this business improvements director where is he link with your people; there is no particular place for him.

A: No because business improvement guy spreads across the whole Thomas Vale business. Thomas Vale has got several divisions – If you see the [group H] structure, [group H] Construction, It has Housing. They have there traditional tendering work which is a no responsibility for design that is our old fashion, yes. Q: Is it only your building or company building? About the locality of a division in company H)

A: That's only small value jobs. OK.

Q: So what means such a big company to do such small value jobs also?

A: Can be profitable.

Q: Then you are engaged in all different markets.

A: Yes.

Q: Design and built. Is that your division?

It has been divided into regeneration and housing. Both of them Reading and Aston do general building work.

Q: So you are heading the housing division or the whole thing.

A: Now I have to look after that....26 million, 34 million, 44 million, 44 million, 10 million [turnover for different divisions in group H]. Now this new economic climate how has it affected across this according to your experience; what is thriving group H's turnover is 50%: My division is 34 million.

Q: So you think that the economic situation has made it to be the reason, and do you have any strategy to overcome that?

A: My division it is all the major framework in the....So I know that we will be getting opportunities that come from all the poor major frameworks. In my philosophy it is always very simple is that when you are doing a contract for somebody, do a good job, do a good performance stay within the framework and you become the first choice contractor. So when you don't ... anybody... again however the economic climate at the moment is even though you do that they will still ask you to tender for the work against for the members within the framework and there.... so somebody said to me recently that one client that they will tender every single job, they will go to the people within the framework they wanted to practice to take all the risks if you try to qualify any... and they will not attempting and they will work with contract on the cheapest price. That's the way they stand. So whether you've done a good job last time if your price is right the next time then they won't be delivered. So the only way is... because if we don't do a good job they won't, we got to do all out just to continue to be in competitive tendering situation and if you not give the cheapest price for a job...

Q: If I ask you a question your company is so big, I think will you be able to go for low cost... then what will happen to your overheads, prelims and profits... sustain in the market...

A: Well, I am not allowed to put down my profit because from here has to be continued to be profitable. So I just have to make so that the size of my team is appropriate for the scale of the work that I do, for example when things become dry off we have to make some....among your staff, site staff. So where is the long way for pre-contract money... that is the one... We used to have five of those people. Because before the credit crunch things quite vibrant and I had 20 projects on site so I was... do the business unit it was always like, this is what I call a business unit. Under these you don't have any project managers. Yes, there areinside at the site there is a site manager and a project manager.

Q: Now site manager comes under project manager am I correct.
A: Yes.

Q: Is it possible for you to get me a contact of one of those project managers?

A: Yes, when they are off site.

Q: I just want to know; now you have given me a very good picture how it happens between your office and your company. From what you've told me there are several methods that you transfer that idea. Now in basically it happens through your contracts managers. Is contract manager will be part of your collaborative planning meetings and these project managers and site managers also? I believe they are also coming for the meeting. So there is no idea loss in the, so they get to know what you are planning those things. In addition to that is there another way you transfer your idea to that.

A: Yes I give them the things called policy directives I say to people when they join me and I tell them that there are these 20 policy directives. So I ask people to apply that when they for me. I tell them that these are most important pieces of paper that they will get because they are gaining document is to have to do their job better...experience where people are slipped up in the trust and there it is basically telling them that have to conduct themselves when they are working with me. That is after two reasons. The main thing is to make them better because one thing to surprise me over the years is that things that I was talked in my very first few years in the construction industry which I have become I use to think automatically ...some of the people that are quite advanced in the construction industry and they don't know about these things which has been a bit surprised to me so when I discover the people don't know some of these basic things, then I call the basic things I feel I got to have to remind them and send them policy document and this is how you should deal with these situations. So first of foremost that is to make them better in doing their job which re-bounce back on me because I don't have any problems that I would have ...and secondly If somebody don't do what these policy directors say they should do for example ...then I take disciplinary action against them because I look at managing people is like managing the football team if people which are playing in a football team are doing the job to do their managers are expected to bring them off the pitch if someone else could play better, and if you leave people on a pitch that are doing what they should do then everybody turns on the manager dealt that because he is not bringing people off the pitch every place .. in business if people don't do what they are supposed to do either because they are incapable of doing them because they don't want to do things in a better fashion because I say to them to make the job easier making the job better in some instances they have to do some in a little bit more professionalism in order to do it correctly if some people are to do it more professionalism then....just like a football manager will take somebody after pitch after change.

Q: I do understand that concern when it comes to a situation like this you are not in the site I know you are having lots of experience that due to some reason if the project manager identifies something to do better than your directive how do you do in-site the situation?

A: No body has done that yet, no body has said that's the better way to do it. I actually say to people that if you receive one of my directives and you think this is rubbish, tell me its rubbish. I allow it debate with you about, wherever listen to your argument if you think there is a different way to do and I am quite receptive to that no body has it is basically things that I am talking to about are things that are recognized ways of doing things properly, in the construction industry this is reinforcing to these people they worth already doing that job automatically like that then it reminds that this is the way to do it.

Q: May I get an example now?

A: OK. When we are building houses there are kitchen units symmetry where and the radiators that ...to get damaged because they are finished products put in place can be damaged so what my directive is telling them that all kitchen units have to be protective when they are being installed with certain protective border, all the symmetry where has to be protective same boarding or cling fell around when use it and the wrapping that with radiators when they put the radiators on the wall wrapping back over to protect it. So that's what I am telling people to do, if I go on sites and I find that there are no protective kitchen units I shall have words with management and contract manager because he is the first person should be ensuring that because the want to say to me why should we bothered to protect kitchen units because they will never get damaged. I allow debate with them and say. because they are in side. So that you are dealing with straight forward sensible things. Don't have job experience in the past they guess, if we don't protect all those things and they do get damaged and it costly to replace it, I don't want extra cost of replacing these things goods making my financial performance worst as if I have to replace many good so I tell people to protect do protect them then you are contravening the policies that being laid down within my division. You have done the consequence.

Q: Consequences mean you have foremost penalized...

A: If that's the way you have to do to some people.

Q: Now especially if you, as you said you are going back to this old method of cost tender and everything it will be bit severe if they are not disciplined like that. One last question so you told me few things, when it comes to business improvement part now you said it is the ongoing thing in the company, you have that meeting and then you start work that people mind your doing your project there is a possibility that you to get.

A: Collaborative planning, there are other business improvement initiatives what each of these divisions allowed to do is to provide a person that is business improvement but...my business improvement man is a operations manager he is asked every year to consider what improvements we will bring into discuss with them and we put forward this plan to the business improvement director and then work for... how we are progressing to this plan.

Q: If you like to give me one such example.

A: We are trying to reject defective work done by the sub-contractors another example is that we are trying to reduce the ...waste of sites by ...to recycling and because we have to place the skips to take the waste away we target 2 ½ skips per house has been yards in we got to improve the beside get reduce, they are I mean business improvement on the site.

Q: Who is responsible for this your site manager or project manager?

A: Site management tries to operate with least number of skips that they can get away with. There is not many skips are relevant in the project and they are trying to reduce skips that is used.

Q: If I ask you this question now although improvements now this is what I have gathered all the improvements are supposed to be implemented in site by your site management, project manager is the responsible person, isn't it unfair for you to give all that responsibilities, now he is supposed to attend to the job done through quality cost...and in addition to that this improvement part also relying on him.

A: You know they are experienced people there's nothing extraordinary about just operating different...so that you make sure that skips are...sent full there are a reducing the number of skips that's getting them to do their job.

Q: If your business improvement process takes considerable time of paper work or something like that then how do you look at it?

A: Can't do that, no point in doing business improvement if you make you opt to do two days works of paper work every week. So we have to find a balance so that it is a benefit or introduce anything that is going to create more problem than benefits it generates then it's no way in site improvement.

Q: Then in your company you have that established business improvement should not consume extra man hours or...

A: Absolutely I would authorize to bring in something in if I believe it not going to be...

Q: Are you doing any customer satisfaction monitoring at the project?

A: Oh yes I do those. I go to see the clients after every job, the company has a procedure where it tasks is that form and we get marked the different categories of questions 10 questions we get marked from 1-10. I am obliged or one of these

firms is obliged to complete within 6 weeks of the job finishing you then submit the forms to the unit each of these divisions are having their own customer care survey researcher produced at the moment I am at 9.

Q: Is that the highest percentage company

A: No.

Q: So even with that all experience and hard work.

A: Yes, because I do these things myself. i.e. I find that there several of the people ...surveys and possibly score even 10. Only I know, Managing director [group H] when I spoke to him about this he said he would do a customer care survey with me I would never give you 10. Right, so...they will not score even 10. And I know how many people will score me at 10. So I write on the top of the form this is a person that's only scoring me at 9, now I think when that is the case, if he work towards that you found a person and you whether they are scoring me 9 out of 10. Then, you find the...best scoring me at 9. So I, when

these people scoring me at 9 we should add 1 point to all those scores. But they don't do that, there a several of my scores that are from people...That's the way doing it. I mean high scoring part of [Group H] you know you are very lucky when you have don't have any people. Then you are giving this form with that will not give you at 10 you will ...And that's that.

Q: OK quite interesting that part. Now with your experience what do you think what should we done to achieve the required business performance? What should be done? Top, down or bottom up...

A: I think we give... very well I know that for sure place of start, my business is profitable. Now there's business is out they are like pacifiers for example, now I believe the pacifiers are where they are because their part of job ...considerable amount of money. Because it is not ...properly we make the co-businesses in here [Group H]'s role is very profitable.

Thank you very much

Stage 2 – Interviewee H2, Company H, 2008

I am interviewing Mr...sorry, Dr. H2 from Company H and he is the...

A: Business Improvement Director.

Q: So what I have gathered so far... I went for an interview with interviewee H1 and he gave me a good description of the company and how his division is working and he said that I should approach you to get more information about the business operations there.

A: OK.

Q: I have set up some questions, it is actually like clarifications for my previous questions where I have found out most of these companies are working at two levels; construction company level and project level and there is a Business Development Unit. It is at Company level and there is no representation at the project level for that, but most of these companies are trying to improve business, construction business through customer satisfaction, quality so on and you have those units at director level and they have direct presentation at the project the level. Now I want to see how you being the Business Improvements Director there, how you tackle this problem.

A: 1.32 It is interesting one. I think Company H, the Managing Director; he has been I think very forward thinking of an almost innovative within the industry. In fact that he has for some time and bear in mind I've been with the company since September 2003, and even at that stage I could recognize that he was really trying to... he had a vision. And he had a long term strategy. The vision or strategy was a 10 year document, if you like which he had developed with his management team, his director team, senior management team and therefore had painted the path as to where they wanted to take the business and the business has been growing I think 20%...approximately 20% year on year to grow. A very significant growth pattern and in and around that we'd been maintaining some of the key things we wanted to maintain was almost the [group H] way. That was a core relevant really in terms I guess our ethos how we behave, how we work with our clients, how we work with our supply chain. I think it's about being fair; it is about being professional, being innovative etc. number of other things and trying to make sure we have that as a process which goes throughout our organization. So coming to your point about how it is it translated into if you like strategy from there to the project level, first and foremost a very big focus on people and people development. I am making sure they understand our original vision, our values, and that is done in number of different ways, communicated err... we have written communications, we have news letters, we have a bi-monthly sheet of communication, I supposedly communication

which talks especially about business improvement. We have a quarterly magazine called "i-know" which is about the company the projects it's got... it always pick out some good elements to what's the business is doing ...probably you must have seen those...

[Yes I have seen them...]

But also is always hitting home about the values etc. of course that is put down through the top level team divisional or functional directors and heads of those units and they are expected to if you like try out the vision and value and only within their own business unit but also essence of company H where it wants to be. We also have linked him with the company we have a business unit called 'forum training' and that will over the last number of years 2 or 3 at least there had been courses which are talking about the [group H] way, the vision and values. In addition, everybody comes into the company [group] through a thorough induction process. So two or three days first of they are going to a series of a face to face presentations and workshops led by the Managing Director. But people are going... may also interacting with business values, our history, current performance, where we want to take the company. So we are trying to instil within everybody basically where we want to be. But equally we recognize that we need to tap into if you like the human potential, the human capital within our business. And we are continually trying to involve people in the process of improving the business, how we operate, the quality, cost, delivery, the client satisfaction figures that the matrix of use. So actually we have within the business now a series of key performance indicators which align to the vision and strategy of the business. Now let me take you back there...

Q: Now this vision and strategy was formed at the business level but you are using the word business improvement as the mode of transfer.

A: 7.23 Right, let me define how I define the Business Improvement. My responsibilities are as how I see it as I drive it... is to improve to how [group H] operate within their business also to improve how we deliver projects and so that includes working with clients and that also includes how we work with our supply chain and also I believe it's actually working on processes which are the interface between [group H] and our clients and also Company H and our supply chain and even such where in fact I am developing a...I have already started a programme one I called supply chain development. So that's what I define for me, when I say businesses not just mean the [group H] business I mean the complete value chain and also err... that project life cycle...

Q: That means business development with your clients, project performance with your company.

A: 8.30 Yeah, and customer relationship management if you like to maintain, if I close the circle. That's how we try and see it. If I come back to the point about, linking business strategy to performance, project performance. OK what's we have is at a side there is the... we have this vision we have the basic idea of strategy is a route map where we want to go.

Q: Now who is developing that?

A: Managing director, me, financial director, HR manager and best practice director. But then in the process hopefully you will see where we are coming in... they are all... they have their many much of I'd say that at least 50% of that of the background of those people are from the project based focus they've grown from the tools and from the process to support that. And it is important to get many different aspects in terms of err... if the people I just mentioned are called the business improvement steering group... OK. But also in the strategy we have the divisional functional directors which have an input, we are overlay and cross-relate if you like into those, and we have an overall view where the business is going that then... is then given to... we break that into... to we want to be year on year... what does that mean? So we have a series of objectives based around one matrix, stuff which is we can measure.

Q: It is your responsibility to put them in place? Am I right?

A: Well, let me... if I can respond to that I'll come back to that in a second. So what we do is we say okay we set these annual objectives this is where you were last year and this where we want you to be this year so improve objectives. So this lots of people, product and process I call the product a project if you know the services which we provide, and we have... these are then cascaded out communicated out to the divisional functional heads and in a true policy deployment process. They then have to go through an iterative process okay where are we now? What are the improvement or change activities reoccurring, where are we? What are they delivering? A rather easy objectives which has been sets linked to the vision and strategy for this year. One of the additional things now that we have to do and they go through that as an iterative process with their people within their divisions or their departments. So it is what you called a catch fall process where by I throw across again there you go they have a look at this, this is what the challenge is where are we? is it, can you do it? what else you have to do? is it realistic? You will say no no we have already done that we need to do this need to do that or this is too much of stretch chart target, we need to have a bit of a grown up conversation to say what actually this is what's achievable, the resources we've got and everything else has to do in a way

where we are currently are in, how we are - it might be to do with work load of projects, it might to with current resources we've got, it might be to do with current performance what ever it might be. So they go through that process and then set their annual plans, improvement plans. OK. Now to support that process I am not by myself. In each division each department we have business improvement champions and they co-ordinate the process of putting that in place with their divisional heads or their departmental heads and they are then not responsible for delivering all of that, they then have sub-champions. So we have work stream champions. And effort we have put in place is almost a formal mechanism to try and help the change process and focus people on the things that should be focusing on, and that includes project performance. Because we look at quality, cost and delivery and tenants' or client's satisfaction all operational measures which look at how well a project has been performed. But we are aligning it into where we want to be in terms of the strategy.

Q: So, do you have any representation in each and every project from your business improvement division?

A: What do you mean... sorry?

Q: Now you have quality assurance managers, you have customer service managers in line with the project manager,

A:13.10 It is interesting because we try and do is... we try and cascade through the [group H] way those responsibilities to everybody. So whilst we might have, we do have a quality assurance manager. We try and work with people to say actually what we try to do is to empower you and give you the responsibility and whilst we as contractors are almost managers of the project anyway and the value is delivered through our supply chain really in terms of the work that's done, construction work let's say the production part. Emm... we are trying... I suppose to give the responsibility of that to our supply chain.

Q: Yeah. You are managing.

A: Yeah, we put processes in place... that we try our... ultimate is to say some certification quality enhance so much confidence in the process and the people are involved in that process that they would deliver right first time,

Q: If I ask you a simple question now, the person who is going to inspect quality, is he given the business view of the company in addition to what they ...

A: Yes, they all know what the vision and the values and objectives are for the business year on year and they are communicated at least two or three times formally through central things but they are driven down through... through the divisions.

Q: Do you personally work with those specific sub-divisions in your company... quality, customer services...

A: I can be, yes it depends. I can be, I work with all these people to try and... what I am trying to do, I could go in and do it to people and sometimes I do. But however, I am trying to grow a culture and spirit of continuous improvements. So, it's smaller steps... but I am trying to rather than 100 people sorry... one person takes 100 steps forward but I am trying to take 100 people one step forward, to try and make sure we have sustainability and in what we do good process in place. So, we have spoken about people very much and how we try and link them down through that policy deployment process. We also work very much on... try and make sure that everybody is working consistently to good process. Now I am talking pretty much about how we set up plan, manage and control projects, so it is almost our quality assurance process. And over the last couple of years we have gone away... not totally, but we are moving away from the normal written QA manual words ... in terms of we have gone through process probably it takes a couple of years to do... to process map. All of our processes in doing that we involved the people who were in the process they were the champions again. We call them process innovators and they were to challenge their current processes and practices, identify where there are issues of opportunities to improve. We also took on board, because of course with our growth pattern in the company, we have grown or... sorry ... a number of people from other organizations are coming with some great ideas so we try and embrace that and we have now got in place for our... I suppose informs the Company H way in terms of processes that we want to have in place and that's involve all our aspects of how we do our business we are now currently working on that role err... to the extent now will... actually it has been out there for several months if not more and we are currently go through a series of processes audits with people to make sure that they understand what the process is ... whether there are any issues or opportunities again because we do all this planning behind the scene with people but you go out site to use it, perhaps on size doesn't fit all. So that we sought of things we try to do in our process and bring in people into that process and they are ... they had not so much opportunity to actually talk about the way we should actually deliver our business.

Q: So now according to your explanation it is a process which is always top down...

A: Not necessarily, no no... we work as flatly as we can in terms of the hierarchy, but...

Q: So that means if you see any improvements to be done in what project you will take it on board and then you will spread it to upgrade the projects...

A: Yes. That's all about knowledge management and transfer so we have a process in place to do that. It is not just about... as you said top down we try and involve people in the strategy. Now I'll give you a view on that. We run quarterly ... what we call our management... at the start which has been called senior manager workshop and now it is more about manager workshop. And that's where with all the managers in the business now on the rotate on a rote basis we bring them in and we focus on a theme, not only a communication process underpinning things again about best practice, knowledge transfer, we were just talking about, but equally we look at the theme is OK this is where we could go down for ... couple of presentations, lots of breakout sessions gets lots of information ideas from that challenges from where we go down where we are going. So actually we are continuously trying to refresh even ideas and underpin not only our vision and our strategy but in the areas of short-term what are the things we should be doing how can we always stay one step a head. So that involves at this stage of say I say managers but equally now we are trying to bring more and more younger people into that process. So we are trying to give people opportunity to understand where we go, to learn, listen and also to contribute.

Q: If I ask you this question; you mentioned those presentations are to maintain your short-term targets which are coming from your long-term

A: Not necessarily, it's got a long-term view that is always under lying. But you know that we do talk about performance against short-term targets because that's one way just understand where we currently are against where we want to be.

Q: If I tell you like this; companies is working at long-term basis and all our construction projects all are time determined so they are working on short-term thinking, so how are you going to map it out your long-term tasks how are you going to break it down...

A: 20.33 That's an interesting one; I do think it's comes down to people, process, values... for example we know the part of our strategy is... you know we want to be I suppose if we look at anybody's mission statement they want to delight the customers. Aren't they? Some of which we are trying to break down and understand what does that mean... what does added value really mean to our clients? So part of that is looking at the project performance level, so we therefore set and say OK considering where we are doing benchmarking of course internally and externally emm... and where do we want to be? Now that's if you like I guess goals for which we want our projects to be delivered against and you know that's the life cycle of that

project, however, bigger than that it is not just about how we deliver projects from the start on-site to actually handing it over to our clients. If you look at the complete life cycle of ...how we work or how our project is delivered, of course there are principles in there that we want to put in place. We want to make sure we can deliver best value to our customers, so what does that mean? You know, so we've broken that down. Are we trying to influence some of the things you want to do to add best value err... with our clients as much as possibly as we can. For example, I am into true collaborative working not just this idea of partnering we sign a partnering charter, have a group work and then work on as how we used to. Because that to me is not enough, we need to work on processes together, you know... and where we have the opportunity to do that is when we have longer-term partnerships or partnering programmes with our clients where we can really start to even challenge them on the processes that they use, which actually will help us deliver projects better. So working up front much as soon as possibly can and bringing our supply chain in as soon as we possibly can - say collaborative design, collaborative planning, collaborative costing - these tasks I think is well those when you get out on to site continuously improve. So these are essence or elements of things which I am trying to embed throughout the organization.

Q: Yes, how are you going to convince your clients that we are capable of all these things?

A: We can demonstrate it, I also challenge them, arrange workshops with them with us and we work on one of our clients for example, I won't tell you who it is... but in one of our longer term programmes when we started looking at their process almost in a value stream perspective, the stuff they were doing and we were doing in the best way will impacting how we will be delivering things on site. So we were feeling the pain in there and we said look you know, we need to go back and map some of these processes on site and perhaps put some measurements in place and so we did that. In part of that process, people were saying in the client's were too overloaded, too much work load, we haven't got enough time but actually when we started to dig into the process we've identified inefficiencies and stuff they happened against what ought to be doing in 30 to 32,000 personnellage per year, once we started working on that which will give more for the same or the same for less, better value for them which actually helped us too. So actually trying to take some of these things what this added value mean? What will differentiate us, these are you know underpinning things which are looking in our strategy and in our vision, but we are trying to bring

them down to real project, real life projects. And this is probably not one way just how we continually trying to do business I guess.

Q: It is a slightly a different direction to the traditional construction, isn't it?

A: I don't know, I don't know anything also I just come in ...I am from the automotive industry I have been in construction...

Q: You are from a business background?

A: Yes, possibly you could say that and I have worked in construction since 2002. And I am just looking at thinking well in terms of good business practice and good business processes, where are we currently, we do... you know Company H for example do some great stuff, You know there was already some good stuff there, what we're trying to do is that build on that and refine it and where we need to challenge it.

Q: You don't find any discontinuity between your construction company level and the construction project level?

A: You say any disconnect?

Q: Any discontinuity

A: Well that's an interesting point. That's an interesting point. I would... if... you probably wouldn't believe me if I said no there aren't any disconnects but there will be in every organization because you are dealing with people and people and culture take time to change that's why, I mean...I am as a person underpinning all of this, for me what I am trying to build into the business is lean thinking, lean strategy which is all customer focussed delivering better value, driving waste out and that type of stuff. Yes so...and... and it takes time to change people even the best companies outside of the construction industry. Now in fact it takes years to do this because its small steps, because its dealing with people and that's why... you know I will get frustrated often because things are not going on the pace that I want them or would wanted them to go but you know we have to accept that in any business Company H is not any different to this , that in fact people still have a danger of to do this still have to deliver projects, they still dealing with the supply chain and still dealing with the client sand the architects etc. so therefore you know how do we start to take people from the place where they truly are to where we want them to be. And not all the time is the path the same for everybody. And so, there is an interesting issue I was talking to David about this earlier, depending on the situation of the market place and even... the behaviour of client we talk about the situation now. It's very tempting, perhaps it isn't an easy route because the rest of the market starting do it starts to revert back, may be to more traditional practices and that's, you know we got to try and manage to control that we recognize, how we will try to work on that because you know you have a competitive market place in this particular

moment of time so what this that mean? In terms of you may have your overall longer term strategy but actually may be some of your short-term strategy changes, because it has to in respond to things which are happening in market place but still having this view of wanting to be the best contractor of its type and size etc. so what this that mean? How will that break down? But still this is a perhaps a different short-term or your strategy may change slightly for the short-term.

Q: Adjust into certain circumstances...

A: Possibly, you know I think it is interesting, you probably know this there was a ... you had lean, you had agile you know what is agile means... is almost agile in a way is actually been in order to respond effectively, in a way my view is still in line with some form of a longer-term strategy but may be just discourage tweak the path a little bit, but still have this sight in or the vision in sight, that's an interesting one I think. And we got quite a diverse set of ... these are called core business units or divisions within Company H, you have spoken to interviewee H1 you know he is in our new build housing. We have... of course that's had a change in the market place which possibly will remain the, you got to react or do things slightly differently, currently you know...you got property regeneration you know we have very healthy relationships partnering programmes at the moment so that's quite stable, you know still however in a spirit of continuously improvement we always looking for delivering better value for money to our clients because that's expecting and we expect that. You've got strategic projects which higher value top end projects up to £ 40 million projects. That's a different type of market. We got traditional and building maintenance. So there is quite a wide spread of things and this short-term almost at the coal face strategy, I guess. And operation and management those businesses are of course down to the divisional heads and their management team, and the people who are delivering. But still they are held together if you like, with the overall business strategy of Company H construction. Emm... and they report back accordingly. You know, and we work together accordingly.

Q: So you call this thing as business improvement which holds this projects and the company together

A: That's with my hat on. I am taking with my hat on.

Q: It is through this iterative business improvement.

A:31.00 Certainly that's how I see it. And let me just add another thing in there, every year err... the divisional functional heads are sets you know they have to think about their forward budgets and their plans etc. for next year you know may be 2-3 years, hence in terms of thinking about where they want to be in terms of the vision and the growth of the business and the

type of the business we want to be. They have to sit down every year and go through a series of workshops with... the senior management team then to say OK, let's have a look at it, and we look at it, we review it, it's challenged and you know so we can see that is all still aligning you know so it's not just at this very high level, they also have to then several how-dos... the overall how do they want to sets a up their business... and the separate divisions what are they aiming for, how they are going to do it and then linked in with that then is the business improvement bit as another strand and that strand is in my view the thing which helps to... to tie them not only in terms of their annual view as to how they are intend to run and grow their business. But actually the business improvement bit is not about growth per se as you'd expect that. It's more about how they set up, how they operate, how they plan, how they improve, the culture that sort of stuff in line with what we want the business to be.

Q: So the word improvement is not the general meaning of improvement.

A: Yes, it is an interesting one isn't it? Improvement for me covers many different things. You know people serve on is it not business development work, we are developing processes, we are developing people, we would hope in terms of our performance and how we behave and work with our clients etc. that in fact would lead to business development and you know so business improvement is not just about growing the company no its not. It just depends about the definition so I look at people, products and processes. And they are core elements in terms of you know the strategy of the business. But of course it has growth targets, it has profitability targets etc.

Q: Now do you look into the business improvement basically from the financial targets in your company?

A: No. quality, cost, delivery, tenants' satisfaction, environment, health and safety, repeat business, process waste... and 2 or 3 others which I just can't remember. There's probably up to 10 areas that we expect and covers...

Q: other than profitability.

A: 33.57Oh yeah, profit is one umm... but, its quality... well you got them there I don't have to say it again. So, its lot of different aspects. Where I come from I am very much customer-focused so tenants or clients satisfaction is a big one for me but to help me to get that and deliver that if you think from operational measures quality, cost and delivery, if we give those three right, then in fact hopefully if you do it well and you don't annoy the customer you know there is a client relationship management aspect you know all of this of course and we have that, then you know hopefully all the rest should you know we deliver the project on time or

ahead of time, right first time, quality within the budgets that you said you are going to or better in fact your profitability is going to be there. You know so if you do all this right that's going to work.

Q: If I ask you, you have that business vision, mission thing coming from the company and then you have this project performance thing and then joining the loop you have business improvement floating between these two levels and what do you think which one is more important?

A: In terms of sorry... which?

Q: In terms of company's sustainability.

A: It's all important.

Q: You can't differentiate between them.

A: I think if we can get good process in place which means the way we are operate and perform means that we deliver good projects. I am going to say every time but however there is always going to be one or two projects that the company won't have for lots of different reasons won't go as well as planned and as lots of factors into that you know we probably have to spend the whole afternoon talking about that. And very much they are out of our control, if we can give process in place, good practices, the spirit of continuous improvement, focused against delivering best values towards the customer. Then I think everything else will trap into place. I think they are the important things.

Q: Actually, project performance is very important.

A: 36.15 Yes, project performance is very important, because that's one of the things that underpins, and that's what the client sees. But how to help us deliver that better is about people, process, how we go about delivering that project or that product? And, yeah... I see that it's being a key thing, but you got to have a vision as to where you are going, you've got to be prepared to challenge, be innovative, within that arena of... or that environment to have a sustainable process, there got to be good processes, you've got to be able to challenge them, they are going to be delivering best value, you are going to be driving waste out.

Q: If you kindly give a bit more description about the business improvement, the word improvement there that is not just improving something. It is a connection you are making between two things.

A: Do you understand lean?

Q: Yes.

A: Right, OK, if you broke down the definition of lean, it's about delivering exactly what the customer requires, yeah... using efficient and effective processes of waste free if you like, delivering more and more for less and less, and at minimum cost. So I try to take those principles and I apply that to

people, to process, to projects, to businesses, to supply chains through the complete value chain and that's how I look at improvement. So I will try and take a helicopter view first off, so OK how should this value chain be set up, how is it currently operated- current state process, where do we want to be- so future state process, OK. So what am I going to do to get there, and of course you can then start deep diving into specific parts of that value chain to then start and say right... OK, you have already understand the performance of that and then I have a look at waste and issues and opportunities and things you can challenge to deliver it better and you take the customer view and you start to think about ...right OK. All the way along that process... what is the next supply which is the... if you like the next so the supply it to the next customer what have they got to do, how have they got to do it? And that's the basic process and practice is in... and principles I take try and work with people to get them to start to take that view and start to take that process and that approach. So I don't know whether that's a definition it's a lot of words in terms of improvement, it's speaking about continuous improvement but working on the right things and not trying to create honours of excellence. And in fact that you know and taking the principles of lean which are... you know... looking into your value chain try and identify and eliminate waste and try and make, if you like, the value flow, try to make it align to the requirements or the beat of the customers and then continuous improvement and that's how I see it.

Q: So you value relationships ultimately. Am I correct there?

A: Oh relationships are very important.

Q: Because you are working with your customers and you are working with the people inside the company so the relationships are very important.

A: 39.37 It is very important you know any... I think business culture is a big thing. You know you can have any process... but unless you got the people working towards it and wanting to work towards efficient, willing to challenge, willing to continually improve, then in my view you are not yet a world class company, whatever the world class means.

Q: When it comes to this, I know in traditional construction companies they don't do any marketing or anything. Now your clients might be seeing something different in your company with all these...

A: Well, I would necessarily agree with that because I think the forward thinking contracting companies do market. Yes. I think there are various ways they do that.

Q: In your company how do you do it?

A: Lots of different ways, so we will have the communications I mentioned earlier, they are not just in facing they are out facing. So clients get to see that. We are able to demonstrate pretty well that we have improved we can deliver industry leading quality, cost, delivery and client satisfaction figures, so we got that, you know we are a ... we enter and are very successful of winning awards to the size of our company ...and you know supreme champion twice in the UK. There's only one other company that have done that. I think it is Taylor Woodrow

Q: It is a large company?

A: Yes which is much bigger company so we punch very very much big, higher than above our weight if you like into well if you like it and I think we are highly regarded for some of the stuff we do. We also work part of inside UK, inside... onside I think inside UK enterprise where people came in and... and we used to run a day or two, two or three times a year for people to come in and look and listen to the sort of things we were doing. So that could be... that could be competitors, it could be people from different industries, it might be clients and we were running along which is re-thinking about this at the moment now, what we called our innovation workshops. And that's in fact we would look into a theme in the industry and invites industry leading emm... I suppose recognized people lead us in that sort of field and they will come and give presentations and we do invite our clients etc. along to that. And... so there is lots of different things we do, that I suppose we'll market good stuff that we are trying to do and our delivery.

Thank you very much.

Stage 2 – Interviewee J2, Company J, 2009

Q: Thank you very much Mr. [J2] I am not going to disclose your company name or personal name unless if you happy to do so.

A: OK. Well, if you let me see what you do at the end of it and then obviously we can disclose those if we can.

Q: Soon after my viva I will be able to send a brief report on the results, results in the sense, now this one is not a quantitative study. This is a qualitative study. I am analyzing the perceptions and how they construct it. But you will get a very good idea and all my companies are from Midlands region actually. So my first question, now you said you are the business development director at [company J]. I want to know how do you describe what is business development in your company?

A: 1.03 Right OK. I think we've probably divide it into 2 parts, perhaps at least 2 parts and we probably be dividing it into effectively working , what we call our existing clients initially to get as much work as possible as from existing clients which we tend to do by having people like [J1], whom you met [J1]. He would have key clients of people that he is working with, would be his key clients. Say certain universities and various major developers and his responsibility would be to get us much work as possible out of existing clients. So obviously the first thing we do is to make sure there is group of companies we get as much work from existing clients and that means that because we have got 4 companies within the group from our framework companies are deals with the framework our just is through our construction business through our small works called [J's] special projects through to an acquisition we made last year which with John Davis Interiors JDI. So first of all we can cover the whole field and we try to make sure from any client in any of the companies, we get as much as work possible as available from those clients . We don't have a business development department dealing with that specifically although they do keep in touch and they do satisfaction surveys with clients as the jobs finish. But what we trying to do in sharing the load is obviously to get our contracts managers, other directors to own a particular client. It's their responsibility to get as much as possible from that we will support them with marketing which we also do from outside work from within the business development in marketing side of the business. Then new clients, I told new business I would fit into 2 categories, one is the traditional business or the business that we have previously been involved with where we have a good track record and that really is a question of using our contacts, all our contacts throughout the industry to mine for whatever opportunities that there are. Currently as we speak, the greater proportion of business available is through the public sector not the private sector. The private sector is very quiet. A lot of the work through the public sector is very much advertised or things over probably 5 million Euros. The conversion rate is about 3.7 million has to be advertised. And the tendency is to over advertise. So basically we find public authorities are advertising things which are less than 3.7 million. So lot of our work has to be proceed through what we call PQQ s.

Q: What do you mean by PQQs.

A: That's Pre Qualification Questionnaires...

Q: OK.

A: ...so which we really have to keep filling out the questionnaires after questionnaires. The whole industry at the moment currently is basically,

filling out the questionnaires' for one thing and another thing. Mass of people chasing the reduced amount of work is huge. So obviously we have to do as everybody else does. Perhaps to be that...pre-qualification department and our big management side of the business. The other side of it is the private clients as I say private clients currently are vary quite. Say better times our private clients will come through direct contacts with the private clients or through his, normally not architects or structural engineers. But, normally mostly through our project managers, quantity surveyors. They tend to be the people who dictate the tender lists for work. As I say, it would encompass the traditional way of getting it either public sector through qualification, private sector through contacts with clients and their professional advisors. And the other aspect is our business is really the pure business development aspect, which is really looking at new ways, new markets, new ways of presenting the business, trying to find niche markets in certain things. And that is I suppose really is where the business development comes down to. We've have got a development company within our group. So currently the amount of development work available through them is low. So what we doing at the moment is our development director tends to try to identify land which we can use in negotiations with clients. On the basis that if we can introduce the sites and the site is of interest to them, we may be able to negotiate construction contract on the back of the site. So the back of us providing the land and the beauty of that in business development terms is that very often even in the public sector if you can identify the only site for a use. It leads to a different route in terms of procuring the work. Which is and OJEU shortened process. OJEU being the Journal of the European Union. And obviously is a pure competition document. If you've identified the site that is of use to a client, then he can apply to do what they called shortened route. And on that basis sometimes you can create a better opportunity business terms. It just depends on the rules.

Q: Yes. First of all you have to get the site.

A: Yes, we would try to find the sites and we have been relatively successful in negotiating the business in the private sector mostly on the basis, that we have had identified the sites which are used to particular clients.

Q: So that means your overall structure in the company is helping you in this type of work.

A: 7.28 Yes, well, obviously what we do is put all the business to use in business development, obviously to development company can contribute, they contribute. We have a group business development approach, which

means that, the business development for all of the companies within the group is done centrally. Although there are people who work within the various businesses. But we're in the process is changing slightly. So the whole group is represented by business development. The business development team located will be located and they will have the responsibility to obtain business for their particular parts of the business first of all by Carr locating them with we think we can get good cross fertilization of opportunity. So really what we're looking for is opportunity by any means in construction. We also look at government initiatives, government grants. We look at where the money is going and basically we follow the money. So government investing in a particular programme we find out about it we see whether we've got the skills to do it. I think like us everybody else what we are looking for is strategic business and sustainable business. So what we're looking for is frameworks, partnering arrangements and these sorts of things, [Carr locating]

Q: Long-term...

A: Yes, long-term, but currently that's becoming increasingly difficult to get because the Egan and Latham initiatives are in the late 90s and all beginning to breakdown now in the favor of all a has to return to adversarial contracting. So, all the good work of the late 90's through the early part of this century is under threat. Because clients now are questioning their framework agreements are they getting the best deal these sorts of things out of them? So we probably going to have to compete more, work harder to retain in the existing framework which is a key clients approach. Obviously existing clients as I've explained are being treated differently from new business. But we have lots of threats in the industry at the moment as we going to appreciate which are all revolving around the lack of cash, lack of credit, lack of investment by the public sector and the private sector. So this is tending to cause of breakdown in all of the good work done in the industry in the last 10 years.

Q: So, now next question is this, now you said you are doing the business development centrally and you have representatives at your other places also?

A: Yes.

Q: Now the business development you are looking at a certain long-term period of time.

A: Yes, at the moment your plans are fairly useful and you have a plan say for 3 years or 5 years. But at the moment you have to reach the market is changing by the month. So it is difficult to stick to your plan. You got to be ever more increasingly proactive. But yes we have a plan obviously for growth and the business is grown and we know what we want. But at the moment we cannot

work slavishly to any particular client, got to be flexible. If you are not flexible in this market, then you are not succeeding. So plans are great, but there is no point in, if you have a plan you drop 3 years ago you must throw out it to dustbin. If you are drawing a plan for the next 5 years nobody have no way to start.

Q: But do you have a growth target that next year we will be...

A: We have a growth target but at the moment it is pointless. The market is so bad and any company can't maintain existing turnover for the next 3 years, will be doing exceptionally well and most companies go backwards, we will stay roughly at our present turnover, which isn't increase about 15% about last year. If we wouldn't expect to be a growth of the business organically, we may grow by acquisition, we may grow by the failure of other business. But our own way to growth is the failure of other businesses or availability of more government money. No business will grow in the construction industry after the next 3 year.

Q: That's your perception about the

A: It is a fact. No money no growth. More people chase in the same business.

Q: But the government has initiated.

A: Yes. But the initiatives are old.

Q: Schools, hospitals

A: It is old time. It is all hose air... Doesn't exist. Money is not there. Money is not getting towards the people who need money. The government is making announcement. They have no plans to deliver; the paper work is not in place. Plans which were nine months ago, still haven't started. BSF is breaking down.

Q: BSF is?

A: Building Schools for the Future. All these things are breaking down on the basis that, there isn't the money that to support them and equity investments is always initiatives isn't available to the business. So the public money is not flowing as the government say it is. And private the 10% private part of it is unobtainable. So the initiatives are...

Q: Yes, they won't.

A: Until the banks are recapitalizing at 2 to 3 years of, building their balance sheets, nothing will happen in business in this country.

Q: So my next question is, now we'll keep that aside and go to your company as...

A: That's the political announcement. But it is the fact. Without money you do nothing.

Q: Yes, specially in construction you can't, yes.

A: **First to suffer last to recover despite what people say, first to suffer first to recover, no.**

Q: Now in your good times how did you do your project management?

A: We are still having good times and we will still quite well. We are still achieving, we will achieve our last year's turnover. We are one of the companies that will do well. The growth is not on any body's radar, not any body is sensible, it isn't anyone.

Q: So how do you do projects. How do you perform in projects?

A: How do we performing in projects?

Q: Yes, what is project performance in your company? That's my question...

A: What is project performance?

Q: Yes, how do you look at it? Now you get me a well understand in the business.

A: 14.05 Purely and simply profit to start with. If we don't make a profit we are not in business. Then we look at the more esoteric aspects of it. In terms of obviously we want repeat business. So therefore we look after our clients as well as we can. We don't look after we don't chase markets where in fact we can't make money. We don't chase markets where in fact we lose money. Generally speaking we tend to lose money through the 2 reasons. One is our unpreparedness or the unpreparedness of the client or his representatives that carry the work out. Given a level playing field and we tend to achieve our objectives in performance terms, we tend to achieve our objectives in terms of quality, safety, everything else. I think the construction industry has a bad name in terms of through the media and its focus on unregulated builders. The truth of the matter is the construction industry is very good fit in what it does is have to work hard to maintain its position in the market over the years. We all deliver quality. We all deliver the majority of the better SMEs we are talking through delivering clients satisfaction and they're delivering quality. Very little to choose between us. So the end of the day comes down to price. So we've all got to be good as one another whoever happens the cheapest on the day will pick the work up. And then it is all about delivering it and maintaining that profit.

Q: So how are you addressing that problem the cost fact there?

A: Well, basically all the time we are looking to make sure that we have the best deal we can possibly get from everybody in our supply chain. At the moment it's basically what we are all having to do is go in at much reduced margins, that we would like to go in that to maintain our turnover and we have to make sure that everybody in our supply chain realizes, and I am sure they all do, realizes that we've all got to be competitive. So at the moment we are looking at driving down costs all the time and from every aspect of our business; driving out waste, driving out any excesses of cost. Really we just have to be absolutely competitive.

Q: Yes. Who is in charge of that part?
A: Our Chief executive and then cascade down through the business. It is not one person in charge of any of those aspects.

Q: OK. So now when you find out in a particular project there is a problem.

A: OK, so we may not get the job. How do we address problems?

Q: Yes.

A: Well. There is a root for it. In fact what is the reason for that problem? If it is poor information from the professionals, we can front the professionals and say you got to improve. You got to provide better quality information. If it is a problem on our side then we address the problem. We learn from whatever mistakes we have made and we try to avoid those mistakes again. And our industry is basically based on human endeavor and human initiative backed up by fairly low tech and sort of approach in other respects. And we just have to make sure that everybody performs and that includes professionals it includes by the clients, it includes all of our sub-contractors. We measure their performance. We measure their performance all of our suppliers and subcontractors against a formal set of KPIs. If we make a mistake, I think we're not doing it rather we put it right.

Q: Yes. Now the KPIs are managed at the sites, work sites?

A: No, we manage the KPI effectively through five simple KPIs which affect time, budget, delivery, quality, zero defects and those sorts of things. So we manage the overall aspect of it and we use feedback from site to establish and we have a regime for reporting on those things. But it is not necessary from the site. Some of it might be within in-house from in-house obviously the health and safety. But our only show case is the site. So everything goes right and everything goes wrong effectively all show's on the site obviously. We wouldn't rely on somebody on site to mark their own score card obviously.

Q: So that means the management is charged.

A: 18.28 Management is charged, where management is charged with addressing the issue of KPIs with people on site by the cost or production on site. And we obviously have feedback, we speak to our clients, we ask our clients as soon as we finish the job we have what we called a closed down meeting with the clients. And we ask them to score our performance against certain categories, quality, safety, cost, time. We ask them to look at those issues on our KPIs. We look at them ourselves, we address them ourselves, we use scoring regimes as far as health and safety, number of reported incidents per number of days worked and these sort of things. The performance assessment is a whole 360 degree assessment using our clients as well as possibly.

Q: Yes, is there a separate unit doing it centrally?

A: No. It is not we do it by meeting.

Q: So in your work site do you hold project meetings?

A: Oh yes, we have meetings. Yes.

Q: In what respect meetings with clients or, project team, clients, supply chain...

A: Our project teams we meet and have what we call CVR meetings which is a contract review meeting every month.

Q: CV?

A: CVR. Which is basically our contracts review meetings which are based on contracts review reports. We hold those monthly.

Q: V stands for?

A: Contracts Valuation and Review meetings CVR.

A: We have our contract valuation and review every month.

Q: OK. So that includes your directors?

A: 20.27 That will include, not directors at that meeting, some directors at that meeting depending on the discussion possibly... possibly our contracts director depending on the size of the site. More often our construction managers with the rest of the team. Depending and then perhaps 1 director would go to all the meetings each month. Then we have what we call entity board meetings which are meetings which then review all of the contracts reporting on a monthly basis, sit down with all of the senior managers within individual businesses look at the results at the meeting held at site.

Q: Now if I clarify it, now you have your project meetings with the project staff, your sub-contractors, clients so on.

A: Not necessarily sub-contractors. We have separate review meetings with sub-contractors.

Q: Then you have this CVR, Construction Valuation and Review meeting and then you have another meeting.

A: Within review the results of each individual meeting held on each to discuss each individual site. So what we probably do is in any given month we'd have our meetings with our supply chain and sub-contractors, our suppliers, major subcontractors. We'll have a meeting with them every month. That meeting then would feed into the contract review meetings which are held for each site each month. Which would be attended by the seniority of management depending on the nature of the issues, that particular month, problem job, probably going to see what is it more people, and no more job running very smoothly, can be dealt clearly therefore by the existing management team issues can be dealt with. And that gets fed up then to what we call an entity meeting which is a

management meeting which then reviews all of the contract reviews carried out for each individual contract. And looks at trends, looks at performance, looks at trends and cause for feedback down and really in an initiatives or ancestor problems, feeds the information back, joins up, sees where we have weaknesses, sees where our strengths like, a general source of a summation, if you likes a month's business and obviously concentrates quite a lot on profitability.

Q: Now these meetings are held every month?

A: Yes.

Q: OK. Then after entity meeting you have the director board meeting?

A: Then we have a every 2 months we then have a group board meeting.

Q: OK every 2 months you have the director board meeting. Right now I have got the picture. You have actually 4 levels of meetings.

A: Yes. At the sites, those meetings are held on sites or for any particular reason the site staff would come in. But normally we try to hold the at the site. That's the second level of review. Obviously the first level being with the supply chain to get the information for that meeting. Then on to a board meeting for that particular division, then on to a group board meeting for the overall company. What we try to discuss at the group board meetings at the highest level.

Q: They are the entity level meetings.

A: No, the entity meetings are the individual company for wanted a better description board meetings. But the individual company meetings. The ultimate meetings are the 2 monthly basis is.

Q: Whole group?

A: 24.09 It is the group directors. And we try to keep that really to look at strategy to look at growths to look at threats and to look at initiatives, the whole group strategy of the business that meeting. We try to keep that meeting really for that level. Having dealt with all of the individual issues, only things which should regard is the major issues which might derail any view of success in the future would feed up to board meeting. So if there are some issues which need to be discussed coming out of those meetings. The biggest issue obviously is the profitability or the lack of it. Currently we are OK. We are currently a profitable business but obviously once looking for the future and looking for threats to that profitability.

Q: So you discussed profitability and director...

A: We discussed profitability and performance and all perceptions. We look at how we are going to deal with the next 2 months, going forward in terms of whatever every issue affecting the business. But we don't tend to mine

down that point into the actual detail the reports sort of fed up to that group board meeting should have dealt with the details as it comes through.

Q: Right, so it is actually you're setting your targets.

A: We see how we perform profitably. We are looking at budgets. We are looking at performance, we are looking at why we exceeding expectations, falling short. We are looking at all the issues. But clearly, the only thing that everybody is interested at the moment is profitability, which is more and more difficult to achieve.

Q: No how do you link them in practice. In terms of peoples and activities involved, your project performance and your business development.

A: You would expect to be pushing out in business development terms in to the areas in which you proven. So, have a good track record would be more successful. You would leave behind the things you regard as being not just following. Not profitable, you are looking obviously at doing more what you do well.

Q: So that means you are trying to improve your business all the time?

A: Trying constantly to improve your business, but you are also questioning should you be doing that, that particular work. If you have to say 12 months or 2 years of doing a certain type of work you find that, of that aspect you never make money out of it. So clearly you don't pursue it. You look for something else. But the only problem there is you can do that in good time, for at that time work is work. So constantly you are looking to say, well you keep asking yourself can we improve that performance? But you got to look what your cost to improve that performance. Is there the return in the market? Are you being preventive for learning the return in that market by forces outside your controlling. By in which case you would done as expect to the business. If it is within your control you would put it right and pursue it. If you feel that there are forces outside your control which is stopping you from earning revenue or money out of that, then you wouldn't pursue it mean you wouldn't...set world to right for one simple fact make money. Survive employee people, help them, pay them mortgages that's what all about, at the end of the day, it comes back to pound notes, pure and simple.

Q: Who are the people in charge of looking at that improvement of processes?

A: Really the group board looking at that and pass it back through the various departments.

Q: Do they visit sites?

A: 28.04 All of the time, yes. If we can have a meeting on site, we'll have it on site rather than sit in the office. So we all visit sites all the time and the various board members are visiting sites all the time for one reason and

another. And we do employ a guy within the business, who we call our business improvement manager. He was the chap sitting at the end when you came in on the phone. And his role is really is to look at our systems and see how we can do better. In terms of deciding a market at the end of the day it comes back to me. In terms of performance it comes back to the group board as a whole. In terms of setting strategy comes back to the chief executive. In terms of controlling finance and everything else in it obviously comes back to our financial director and in terms of commercial aspects, in terms of commerciality of the business, profitability on the coal face, it comes back to our contracts director and to our commercial director. So those are the key sort of roles in the business. We employ somebody who constantly looks at how we can improve. At the moment what we're looking at is how can we drive economy really within the business all the time.

Q: So business improvements director...

A: No he is just a manager.

Q: Sorry business improvements manager, he is coming under which division?

A: He comes directly under the group board.

Q: OK, it is not a director post. It is not a manager's post.

A: No he is a manager. Who tends to take his directions from the group board. Go to various parts of the business, he might be involved in health and safety, he might be looking involved that negotiations to the supply chain. He could be looking at appointments of professionals in other words he is looking at how best can we improve our performance. Exactly his job is how best can we improve our performance. That's his dream ...he recommends, occasion we getting him to carry out initiatives. In other words, OK you can, that's great, good idea. Carry that initiative out.

Q: So does he have a team of subordinates.

A: No he just takes his people as he needs.

Q: From various departments?

A: I mean obviously the whole industry at the moment, that we are breaking down the pyramid structures. Most pyramid structures are under the industry are broken. So what we having to do is directors is get down and get months going on this business. Pyramids are wonderful but there also might a communication problem. There are also barriers to communication. I think in SMEs we need to manage the businesses quietly different.

Q: So here the structure is more firm.

A: Well nobody is a director without a job. We put it that way. Director isn't a job. The director is a title. The job is what you do on a day to day basis.

Q: Right so that means all directors have a day to day job. So that's a very good point for me. So next... get to the next question. Could you kindly explain me with your experience, how this business development is influenced or not through project performance?

A: I think I just addressed that really obviously we...

Q: Yes. You said that business improvement manager is there...

A: 31.30 No, No. I think I have addressed in this as much as what influences us very much in business development is first of all if we're working for a client, and we've successfully worked for him for a number of years that influences us to go to that client, look to that client for all of his business. If we are doing a new build job for him we would look to influence him to give us an opportunity in refurbishment because you know business is within our businesses which deal with that. So the first aspect is as much business as possible with the existing clients' base. The second one is to look at what we do well. And obviously look at the aspects of performance. Look at why we are making money out of something in particular. And why we are losing money in other respects. So constantly then you are looking, "Ok we seem to be very good of that. We want more of that ". So that influences your judgment in business development terms. We may want less of that if we felt that as I said that something preventing us ever earning a reasonable return in that market place, in which case with analyze and say, basically we flogging a dead horse in that market place. We've not yet earn any money. Usually it is market place is rather over regulated or for e.g. Hotels, I think very few contractors ever make very much money if any have to building a hotel. As it is completely regulated business. So contractors don't tend to make money out of over regulated business or over prescribed business, in terms of systems and performance of that particular business. You constantly looking for really how can you develop a niche in a particular market place, which place your strengths and your skills we probably got that with our fit out business where we got obviously an excellent reputation in terms of fit-out.

Q: Yes. What sort of fit-outs?

A: Everything. But ending with say cat B fit out offices, cat A, cat B fit out for offices furniture, suspended ceiling whatever, high quality finishes of commercial and public building for that matter. Rather way down to structure alterations, buildings and general refurbishment of buildings, external refurbishment, internal refurbishment.

Q: So that is your market actually the strong hold in your market?

A: Very strong in refurbishment and fit-out. With also a lot of public sector new build in schools and things like that as well. So we tend to be looking for our work coming out of, currently those market places are the market places which are holding up, refurbishment as opposed to new build is what is happening at the moment. As I said management rather than creating new assets is what is all about at the moment.

Q: So that means your opportunities, you have balanced it with the, in house capabilities in that particular sector more than the other.

A: Yes. Contractors pretend. They have some wonderful inciting but they tends to gravitate towards the market places and then they find those market places, you are rather in the right place in the right place at the right time or you happen to be in wrong place at the wrong time. In this much in currently nearly 19 many contractors suffered because all of they are working from the private sector. Very some big businesses have huge amount of work coming from the private sector. They didn't probably have a plan to have huge amount of work coming from the private sector. Just that they were very good when working with certain developers in the private sector and therefore they carried on dealing with that aspect of their business. Nobody so in the early 90's was the threat of say Mr. Day that work falling away and it happened like now quite quickly. And people had not moved into different market places. Once the problems arise, it is very difficult to move into a new market place. Because you need what's called a track record. If you haven't got a track record, then you might not forget it. Because, with increased competition your lack of knowledge for a particular market place. You can't take it for 2 or 3 years to gravitate that market place. Now when this down turn came about we were fortunate position. Because a lot of our work was coming out of the public sector. We didn't necessarily plan for all of our work. All of are coming out of the public sector. It is just that we tend to look at work type rather than markets and therefore at that time prior to the down turn we were working quite a lot within the public sector, which has helped us and a lot of companies who getting their work from the public sector are the ones that will survive at the expenses as the market places is shunt rapidly and they develop no track record. So we fortunately, I mean very wide spread business. So that in some point, I some aspect of our business is doing well at any given time. Nothing is doing well at the moment. But given some aspect that we are doing better than the others. So we are fortunate. I wouldn't say that we set out some wonderful master plan 5 or 6 years ago together. That is why I have heard of like most contractors are looking for what aspects and which areas are profitable, where can we make profit and most people are towards that view. I suppose we were always very comfortable working in the public sector. But I think the

majority of contractors were arguing and pretending that they have wonderful master plan 5 years ago, so 3 years ago, how they are going to do their business. Clearly they didn't because otherwise people like company X and Y got out of business, how is it, wouldn't they? And they wouldn't be in the position they are now. So contractors I am afraid are not very good.

Q: In long-term planning?

A: In long term planning they are very good. We tend to react to possibly a year or two ahead. But we are not encouraged by the government. Because policy changes, and policies change dramatically and we were encouraged to looked to strategic business in terms of frame works. And we all moved very well in that direction. The business went to a collaborative footing, the clients and professionals rather than a footing which was based on a 80s. When that time it was always very much, in point of view of lack of collaboration. So we all encouraged towards what we called... lay initiatives with collaboration. But the problem we got at the moment is that collaboration is not being encouraged. Means it is being paid lip services to by central government. But it is not being encouraged and all coming back to the political point. Our planning is difficult. Because all we see is initiative which were examine them are made of straw. So that problem in terms of looking to the future is can we believe what we're being told? The answers are... that is no. We can't. Because, there is no evidence that the cash is rolling, no evidence that the work is coming through the government. And it is certainly not coming from the private sector. So the construction at the moment is struggling with, trying to come to terms with the present market place, and the general absence of the finance really. But we would aim always our single aim is what we called strategic business for the group and sustainable business. And that's our only interest. Strategic sustainable we are interested. One of contracts our clients not sure about, we are not interested. Risk is huge at the moment and we have to examine risk. Management internally through all departments. We can't afford to take risk which means in some point we won't get paid.

Q: So that means you are preferred to lay with your known existing clients?

A: Or public sector where we know that the end of the day we might have to wait for money but we won't get paid. Work in the private sector; quite and say private sector is difficult... and private is sector going out. But we can't pick and choose. So at the end of the day we were looking the position we were two years ago to pick and choose. We would have been in the tender list with 3 people. Then for some work and the client would get struggling to get 3 people for that work jobs. Now we are on tender list of 6 and 8 people. Having qualified for that work again something like possibly even as many as 100 companies to get in to a sure

list of 8, to tender with a chance of winning which is gone out, to tender against companies when are do work for nothing or less than nothing, you can say they stay in the construction industry. And they stay what they do about planning? Well it is like rearranging the deck chairs in the Titanic, isn't it? In fact if I would have told you better businesses like [company J], you know the market place is over the next 2 years, we will pick up. I recon something like 25% of our work from other affiliated contractors.

Q: Yes, they are smaller companies, which can't be there without you.

A: Company's size and just won't be there. And we will ready as instances of picking our work from 2, 3 affiliated little contractors in the last 12 months. Staff is no problem at the moment because so many good. I mean many people in construction are excellent people and the training, everything going on, in last 10 years in the collaborative wise work is being excellent and a huge number of very skilled and talented people are there.

Q: So you encouraged that collaborative work in [company J]?

A: Well, we... we always encourage because it was the way to proceed with your clients. We can't always encourage or we can do is participating how the client will encouraged in. We can't dictate, only clients can dictate collaboration. We are not in a position to dictate collaboration. Only a client can dictate that, but we do we have tried over years to collaborate with our subcontractors on the same basis that we have. We tend to try to use as few as possible and to build a good relationship with sub-contractors. Where a client encourages collaboration, we respond by encouraging that collaboration with our supply chain. Which you can say at the moment that many people are looking at collaboration and saying why should I talk just to talk 3 people about a job if I can talk to 8 and one of them is silly enough to come in and do it for nothing why do I want all of these collaborations which I shouldn't go to somebody will do it for nothing. And you say to your clients well, you would probably going end up with that company going out of business and you would have another contractor on site. So it is somewhere in terms of you are looking at the business and we are skilled in and we have become skilled over 10 years in collaborative working. Huge amounts of planning and which is being supported by that collaborative working and you are encouraged to plan. We have planned. We were always planned. We made acquisitions to the board of companies against the plan. But now we are under a position where for the next few years. We are in a different board game all together. It is for next year's is survival. It is going to be survival at the fittest and we're fortunately quite a fit business in the way that we are currently. We've pretty good cost based. So we know what

we can do, what we can't do. But in terms of, you can say first thing you got to decide in terms of planning is when will there be any pick up in any construction.

Q: At the moment you can't see.

A: You can't see at the moment and my personal opinion we'll reach the bottom in about 2014, in about 5 years time. And then we need in the next 2 to 3 years to be looking at how things are developing for the pickup takes us to the next peak in 2020 or something like that. But we are really looking at the cycle of another 11 years in which the industry is continuing it's ...probably another 2 years it will then bottom out. And then we will pick up. We will have a change in government. We probably had 2 changes in government in that space of time.

Q: Then the economy will pick up. It is always a cyclic thing?

A: At the end of the day we always just look at the cycle, so what we are going to do effectively is as we perceive as to be as lean as possible, in terms of our cost base over the next 2 years and just compete for all your work to pick up the work which we are best suited to do. If we try to enter new market place at this time, it will be exceedingly difficult. Because there would be always be huge number of people who have got a track record in that market place. So what we got to try and do, I suppose alternately what everybody in business development tries to do is to get themselves in to what we called a preferred position. So in other words we got some attributes or we got something that the client's needs you can't get from somebody else. Unfortunately that is becoming increasingly difficult to achieve. But OJEU is looking I think for a niche or get yourself in to a what we called preferred or negotiate position. The only key to that these days is, it doesn't really come down to expertise. It probably comes down to availability of land and that's why what we trying to do and probably find other people who have got connection in that direction. Always trying to find some preferred position and that usually comes only from this industry, by having the site that client need.

Q: OK, and then your construction team will...

A: Construction will going on the basis of a negotiated contract, increasingly that is going to be an open book format really. So that the client can see that every aspect of that work has been tender cost and cost is really is the lowest possible cost you can expect to get. Now we are happy with that we have no problem with that and then we can get a reasonable overhead and profit addition to do it.

Q: Yes, overheads and prelims everything...

A: So it is really all about working for people who are going to pay you. It is all about looking at market places where you have expertise or transferrable skills and it is very much looking about staying with the clients who were effectively

alwaysby you over the years and doing as much for them as you can and we are businesses grown organically and by acquisition from 46 million in those accounts and it should be something like 65 - 67 million. So we have gone up a nearly 50 %. But that is really based on the first 6 months to the 12 months really when the market is still quite booming and also our acquisition of the business that turned over 10 to 12 million.

Q: Yes, because its' contribution is new.

A: Yes, the contribution is of a new business, we are looking for a right business. We are still managing to grow the business in the last 12 months. But arguably we don't settle for achieving 65 million turnover in the next 12 months. In fact we'll be dividing it to achieve 65 million and we have got some good frameworks in place.

Q: long-term relationships?

A: Long-term relationships, yes.

Q: So you think that you will get more and more jobs through those relationships?

A: I think we won't get more work through it. But at least we will hopefully maintain immense of work we got in the last 12 months. And we were also got some other arrangements which are not part of a framework but we do what we call serial tendering for certain clients. No guarantee we will win the work. But at least we know the opportunities are there. And once again that is probably expected on the health side. But really I think the next 12 months run is very hard to stand still. In fact probably the next 2 years,

A: Yes that means you are continuously trying to improve what you are doing?

A: Yes. Concentrating on what we doing which is we have somebody to guide as the same as or somebody to send out the initiatives. But really it is very much the group board. It is motivated in its' various disciplines to that aspect really get as much businesses as possible and do it as cost effectively as possible and keep the client happy in the middle.

Q: So which aspect you think more valuable at this time; business development, project performance or business improving?

A: Project performance is going to be easy, more easier. Because we got it available to us, people of outstanding quality even if we haven't got them , have there as looking for job, finalizing quality of construction is always being good at the last 5 years. Now available resources are there. Actually performance will be easy because all the resources are available. Materials, labor cost, contractors, quality staff and all of those are available to us and it is going to be easier in some way is to perform than it is to attain work. If getting the work, pricing the work, quality of staff to price the work is good, but number of people are on

tender list now will constantly grow. And that always if you put 6 right contractors on the tender list in this market place. It is always one of them who is so desperate in this same business, he will do nothing or less than nothing.

Q: You can correct me in these. We had this problem earlier before Latham's management reports that people will go for very low cost tenders and....

A: That's a very much a factor from 90 to 92.

Q: Then they will raise their figures by unnecessary claims.

A: As were become more available contractors were put the figures of fear then it came to the market place 96 at the time of the first Latham's reports was, that clients would suffer as they didn't have this long-term relationship.

Q: Yes.

A: Now that was true really because obviously contractors would gravitate towards somebody who gave a long-term relationship, a reasonable return. So these initiatives also was a feeling that the adverse area actually in the industry always litigation and this sort of how which it is and having being work through that period and seeing all the great advantages we had through collaboration proper work in partnership framework agreements, it is sad to see that those increasingly will become... come under threat because of the feeling that some clients, some hard earnedand most of the money that comes in to that industry comes with the critique that are we getting value for money? Now if somebody sit in this rule and say we got 10 million pound contract to let the market place as the somebody out there who do nothing, somebody will say why are we treating all are framework sub-contractors so fairly than, why we negotiate in these framework sub-contractors, why are we giving our continuity in work, why are we guarantee, not guarantee, but why are we offering them a mark up on X on their work? Why do we do that? When in fact we can get somebody is doing it for nothing. You can see that some frameworks obviously going to come under pressure. I think the public sector frameworks will probably in... Because that come as a need for delivery, certain delivery and construction cost in the public sector represents something like only 60% of the total cost of a project. By the time it ...on all that then the Government will rock to see the checkers and is everybody else you can put to the 30% on top of that. So frameworks suits a lot of clients not set not because of the construction aspect but because of the fact that it fits in to some general way of a planning work or programme or planning work and so I think a lot of public sector framework will in...redefine but they willIn the private sector frameworks will always disappear over the next 2 years.

Q: They will go back as real contracts.

A: Yes, and lawyers if we got some money to invest by shares in lawyers...

Q: Yes, again that field will boom.

A: We appreciate all of these... personal opinions.

Q: Yes, definitely.

A: But it's just. But in terms of try to assess what we have to do in next 2 years. It is born out of really which anybody under 30 in the industry, doesn't understand. It's been probably 16 years since.

Q: Yes, all these things have come...

A: We have to react to this. As time moves we know exactly what's coming and how will get out from it. Now cost contractors can't go abroad, because Dubai is one in construction work...

Q: What do you mean by that?

A: Well in Dubai lots of people going out to Dubai to work. Dubai which is usually has no natural resources. And all of Dubai was built on oil money. Now obviously the Dubai, the construction in Dubai will come to an end. And places like Abu Dhabi with certain amount of lack of natural resources funding will go ahead. But a lot of the growth areas in the world which was always absorbed. In the 70's of Saudi Arabia all the construction people went to Saudi Arabia 92, not sure whether they went on in 92 to be honest. But in recent years so much of our construction resource has been obviously going out to Middle East or Far East to work. At the moment now those markets are under threat. Once again it will increase the availability of labour and resources in this country. But I mean work load...

Q: But you don't have money...

A: No, so it is really or it is very much all about. I think securing the business is the principal same for the next 2 or 3 years.

Q: So that means you value business development more than your business improvement and project performance.

A: **56.30 I think you put your business improvement as a different thing. Because business improvement is... project performance is related to the lowest cost. But it should be easier to achieve with that lower cost with all the resources available. Business improvement ways of improving the business is diverse not just related to... everything relates to bottom line profitability but in terms of business improvement that could deal with improving the way you secure business, improving the way that you deliver, improving the health and safety. Your business improvement remises [word unclear] at the dictate of the board to look at certain ways of improving. I think probably in 2 years time business improvements may be a bit of a miss known, it may be maintaining the improvements that you have achieved in 2 years under new threats and I think really business improvement is always**

set against the threat. So the areas in which you look to improve your business is where you feel most threatened. And at the moment you feel most threatened in terms of the ability to obtain work. Business improvement therefore is talking to your subcontractors and your supply chain about lowest cost, quickest delivery. Because you are always looking for everything which is dictated by the need to get the lowest cost at the moment to compete, make a profit, make the jobs you want to... The actual physical performance of the work on site is easier at any time in the last 10 years. The actual ability to obtain business is more difficult in the any time in the last.

Q: That is business development.

A: Yes, which is business development. Business improvements are improving your system which is an ongoing thing, has to be done with... But it is very difficult to try and achieve it, because most of the business improvements are aimed at reducing or taking cost out of the equation. Now at the moment you are obviously meeting the resistance, to take that cost out of the equation from your suppliers and sub-contractors and clearly they don't want to be working for nothing. So those are the aspects of the business. Keeping the clients happy is the same as in any other time. Whether it is or not to keep your client happy, than ever been, it is probably not changed to be honest. It is probably just as difficult to keep your clients happy in good times as it is in bad. But it is something you got to clearly do.

Q: Now what sort of a system you adopt here?

A: In terms of what?

Q: Keeping your clients happy?

A: We tend basically to do it on mid-term interviews during the contract, close-down interviews at the end of the contract, assess their views. They are always turning us on daily basis whether they are happy or not, or monthly basis whether they are happy or not. Some aspects we're doing they like, sometimes they don't. Everyone telling this we have these dialogs all the way through with our clients and our representatives.

Q: When you start a project or during mid of a project or close-down do you have sort of special meetings with your clients?

A: Yes. We try to call them during the mid-term interviews which are conducted by the business development side of the business to discuss with them away from the site, what their perception of performance whatever we doing right, whatever doing wrong with... with a text, with the close-down meetings we go through a quite long agenda. Internally first of all to look at each major job or each bigger job and assess how... what we have done. We also then go to see the clients and we run through a close-down meeting through with the client whatever we do

well, what we didn't do well, what is your perception on this, how did you raise all the concerns and people you value within our business...that sort of approach.

Q: My last question, now what processes and mechanisms are taken in your company to transfer the business development idea up to the project performance... this is how we want to do it.

A: Yes, what precisely we do then after we had the meeting with the clients various times brings together all of the people representatives of all aspects of business to report on our finding from our client, you know what it is his perception of the business. Sometimes that perception is wrong. But it is their perception. It doesn't matter whether their perception is right or wrong. It is their perception, so obviously we have got to set out in securing 80 % of feasible about business existing clients which is an objective. Then obviously we have to set out to correct that or the we follow that in other meetings, which should aim to look at how we're going to correct that, surely we should have another opportunity with that client that we...look at any shortcomings.

Q: These are all done – face-to-face contact meetings?

A: Yes, we do it face-to-face with the people within the business. We report back to it. We also have sound reporting mechanism all the time throughout the job. We all have discussions throughout the job. The clients will express their opinion on something we will discuss it. We will say fantastic. Completely happy with everything we do. That's wonderful. how can we do , what can we do to make client even happier if not happy with certain aspect we are doing, it is being communicate with his architect or his project managers, whatever we are going to do about it. So constantly at the moment our clients... we will always relating to our clients all the time, because, our clients effectively are always relating to us. We are always looking for the next job. So if we go for an interview, we are working on a job for a particular client, another piece of business comes up. We are going to an interview something will doing right and wrong on this job will feature in interview. I hear what you say Mr. X. but on that job you are not doing actually what you've told me again to this on the next one. Or always this interface with your clients and any time you don't get is that when you get a new client and who obviously doesn't know your business. So constantly you are the making comparisons to what you do somewhere else and hope that what that particular client wants. So...very hard in clients relationships all the way through the process and it tends to try to change. If we were to think that every client, completely unreasonable, then we examine why are we working for this client. We tend to be very realistic about it. I mean we don't, we tend to take on board criticism but then we examine those criticisms. Is it a valid criticism or is it really criticism of one of his professionals in truth. But we don't tend to sit

around; I mean we think somebody assess something towards us that is correct, then we take it up with a...and then say, your perception on what's happening on the site is absolutely right. Your reasons of thinking that is happening is because x, y, z aren't right.

Q: They are not the case.

A: So we have this constant dialog...

Q: OK. Thank you very much for your time.

A: Now in fact it was 4 copies originally so we are not in one place . We in fact got all list ,the old 14th century out frame . We got only bricks at the moment.

Q: It is a Timber frame boundary.

Table 4.1 - Variations in companies between data sub-themes

Themes and sub-themes	Companies									
	A	B	C	D	E	F	G	H	J	
Theme 1 - Company										
1. Type of work (objective)										
specific										
diverse										
opport. and capabilities										
2. Business Development strategy										
long-term company										
short-term project										
board meetings										
formal										
informal										
business expertise										
internal										
external										
both above										
none of above										
performance										
financial preferred										
non-financial preferred										
3. Relationships -partnering/supply chain										
high priority										
not a priority										
none of above										
Theme 2 - Project										
1. Project is a priority										
without exceptions										
with exceptions										
2. Relationships - subcontracting										
majority										
minority										
3. Performance										
QA / quality of work										
client satisfaction										
both above										
Theme 3 - Integration company and project										
1. No boundary- company/project	N/A	N/A								
2. Processes are Integrated	N/A	N/A								
3. CBI	N/A	N/A	No data		No data					
contextual data										
people are useful										
policy & strategy is useful										

not applicable -N/A

majority similar

minority similar

combination

APPENDIX 5

THE RELATIONSHIP BETWEEN THEORY, METHODOLOGY AND CONSTRUCTION PRACTICE IN RESEARCH INTO BUSINESS PERFORMANCE OF MEDIUM-SIZE CONTRACTORS

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Abstract

This paper discusses the relationship between theory, methodology and construction practice in PhD research into the business performance of medium-size contractors. It is argued that this relationship is not trivial and needs challenging for robust research into construction practice. This paper explores the underlying philosophy of research design, its relationship between different stages and how it leads to theory-building. The research has stemmed from a problem located in practice in Construction Management with a view to improving practice; namely the gap between construction business performance and project performance. A method within an interpretivist approach was established to generate data from the practice by using a theoretical framework (EFQM enablers). The study has investigated 9 medium-size construction companies using semi-structured in-depth interviews with directors/chairmen/managers. This method has generated rich description of the complex situation; however, this revealed a distinction between the theories that are valid in practice and in academia. The conclusion is that for the theoretical output from PhD research to have a meaning in practice and further to be capable of improving practice, a study of the way theories transfer from academia to practice is required.

Keywords – methodology, practice, research, theory

INTRODUCTION

The objective of this paper is to understand the value of theory in wider research practice and its usefulness in improving construction practice. It describes researcher's thought process into this research so far. The paper is written as a PhD researcher's struggle to both undertake a PhD and to improve practice. It describes the challenges undertaken to understand the relationships between practice, methodology, and theory. The order of thinking about these is important. Practice is the most concrete area, as it is in the majority of construction management research, and started the research. The research question was formulated through an unresolved area in the construction practice concerning the gap between contractor's business performance and project performance. Much time was spent in deriving the methodology to constitute this research because of the PhD researcher's lack of clarity and doubts about interpretive research paradigm. Then the literature review was commenced in line with the chosen area in the construction management discipline to find out what and how other researchers have performed in similar research. The PhD researcher surmised that in positivist research the relationship between theory, practice and methodology is unproblematic being reduced to good procedure but in interpretive research it is part of the problem including debating 'what' is theory and even 'why' theory is used.

The research takes place in the two contexts namely construction practice and academic research practice. This can be presented as two levels, as shown in the figure 1 below:

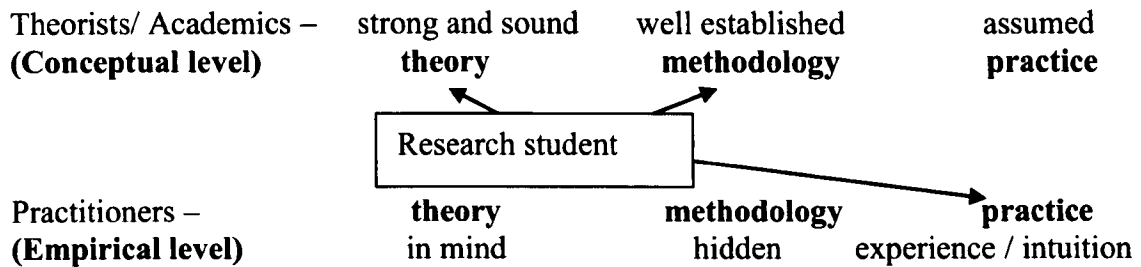


Figure 1 – Research Context

With theory, method and practice appearing at both levels, a student delivering a PhD in construction is expected to have an understanding at both levels but the PhD is at the conceptual level. Theory appears very strong and sound at the academic's conceptual level but diffuse and disconnected in its essence and character at the empirical level, to the extent that practitioners hold theory in their minds (Bannister, 1981) which can be completely different in different people to suit their requirements (Boyd and Wild, 1996). Practice is not visualised in its experiential meaning at the conceptual level and it is sufficient to advance a conceptual theory. Methodology appears less controversial area for a student since it is hidden in practice and it appears well established with alternatives at the conceptual level. In the real world, conceptual thinking and empirical thinking are two different activities however to develop a PhD research in construction management there is a need to connect both rather than confining it to one end. This approach is exemplified by the desire for the PhD to contribute towards improving practice i.e. the business performance of a medium-size contractor. The PhD journey, exploring conceptual methodology, gave the researcher the opportunity to see the inconsistency in interpretive research area. However the process in this study has lessened those inconsistencies and makes this research more robust conceptually and empirically.

PHILOSOPHY OF THE RESEARCH DESIGN

The Conceptual View of the Problem in Construction Practice

As mentioned previously the research question originates at the empirical level but started with a conceptual analysis of a difference between construction project and construction business performance. Winch (1989) concluded that 'the project is a temporary organisation, while the firm is a continuing capacity to create the built environment'. Phua (2006), Bassioni *et al.* (2005), Dubios & Gadde (2002) and Handa & Adas (1996) described about the disparity between project level performance and the contractor's business performance. They agree that the business performance of contractors is not satisfactory and it is also under-researched. The business environment where these contractors work is highly competitive thus it makes contractors' business performance a very important factor which determines its economical and social success as well as long term sustainability in the industry. Kagioglou *et al.* (2001) criticized financial performance measures to determine sustainability of a company as 'results and decisions based on the past and do not encourage the continuous improvement of the overall performance'. They have considered financial information

as a lagging indicator inappropriate for future decision making. Thus the meaning of 'business performance' of a company is much wider than the usual financial measures to gauge a company by its projects performances.

From these conceptual analyses, research suggests that a construction company needs to discover the factors which contribute towards its business performance other than the project performance as a whole. These factors might be its identity as a separate entity such as client relationships, training, innovation, research and development in addition to the project needs and requirements. Furthermore it is the relationship between project performance and companies' business performance that needs to be established. However at the empirical level contractors do not see their world in this way i.e. they do not theorise about the interdependent process between the construction industry, the construction company and the construction projects undertaken by that company. This disconnection in theorising needs to be acknowledged in PhD research where there is a tendency to privilege the conceptual theory.

Application of Academics' Methodology in relation to Methodology in Practice

Conceptually this research was designed in the interpretive paradigm because of supervisor influence and its appropriateness for investigating the complex social phenomenon of the construction practice. Hence, this study inquired into the perceptions of business performance of company directors/chairmen and senior managers in medium-size construction companies through conducting semi-structured one-to-one recorded interviews.

Methodology in practice refers to the way practice philosophises about its activities and its methods of acquiring and using knowledge. In the majority of construction management research, this methodology is assumed to be comparable to the activity at the conceptual academic level. This is not the case and this can explain why the majority of academic research is not taken up by practice (Morris and Lancaster, 2005).

Thus to introduce a meaningful relationship to methodology at both levels; an existing theoretical framework was used to structure the questions rather than just creating a set of questions. It was decided to use the enablers from the European Foundation of Quality Management (EFQM) framework as a conceptual tool to access data. On one hand, EFQM has been well documented and discussed at academic level and could be regarded as a theoretical framework which can analyse a company's approaches and even present solutions to improving a company's business performance. On the other hand, EFQM framework also has a meaning at the practice level as it is a tool in use and is reported in business experience. It was surmised that the respondents would be aware of EFQM and so could present their thinking about their business through it. The nightmare between academic language and practitioner language issue would thus be solved. It provided ground for practitioners to talk through their own language and enable the researcher to probe and collect sufficient information; in a manner related to both conceptual and empirical levels. It covers all aspects of operations in an organisation with a direct relationship to results which made probing less traumatised. It also covers: the relationship between leadership and business performance, how business performance (non-financial) is perceived by directors and how it is translated in a company. It made the data generation process less complex by providing access to data and uncovering data based on organisational behaviour with strategic management approach.

However, using a framework for the inquiry can limit data which might be more specific to their companies and useful for analysis. For example - the EFQM framework has a bureaucratic nature which favours administrative managers but not project leaders who are found in construction. Also, Dahlgaard-Park and Dahlgaard (2005) criticise that the model is too simple to handle 'the complexity with its uncertainty and unpredictability in real world'.

From the interview transcripts, narratives are produced for data analysis with a view to developing /improving related theory. The rationale behind the selection of the narrative method comes from 'sensemaking is a committed interpretation' and the sensemaking themes described by Weick (2001, p 11). Also from; 'good stories are central to build better theory' Pentland (1999). The narrative analysis is expected to reveal answers to the research questions to form 'what' and 'how' of theory at the empirical level and the 'why' of a theory with a reasonable connection at conceptual level. So far data has provided a rich picture on their way of doing business, their understanding and beliefs about company performance and project performance and how they handle day to day improvements and future developments.

However the analysis will be problematic in following areas: The chosen framework guided interviewees in a systematic way though it generated a massive amount of data. Other than the recording and transcribing difficulties, large amount of information reveals contradictions in the interviewees' statements. This leads to a difficulty of meaning and coherence in the theory generation process as it is the researcher that selects the evidence to give it coherence to generate conceptual theories. Lemke, (n.d.) said 'the process of transcription creates a new text whose relation to the original data is problematic'. Hence there is a tendency to lose some of the meaning as spoken and written languages are not the same which might be useful for data analysis. Interview data could have been affected due to the location of the interview and the interactional style between the researcher and the interviewee; e.g. would they answer or converse in this way in practice? Thus it limits or adds to the researcher's own interpretations and assumptions which affects the value of the research during theory-building.

Theory in research

As explained previously, the attempt is to deliver a PhD in construction related to both levels. Thus there is a need to understand and apply theory in conceptual level to a problem in empirical level. Bacharach (1989) viewed theory as a set of constructs and variables which are interrelated within researchers/theorists imposed boundary of assumptions of value, time and space. Whetten, (1989) states that there are three constituent elements in a theory - 'what' 'how' and 'why'. 'Why' of a theory needs to satisfy findings at empirical level with assumptions about conceptual level, thus this may be the most important task. The general perception is that most theories work well at the conceptual level however at the empirical level they may fail due to pragmatic reasons based on their inadequacies of value, space and time at its formulation. Determining this theory of two levels tends to reduce the elegance of the theory at conceptual level thus creates a problem as regards the PhD.

In the case of interpretive research paradigm where this research is based; legitimacy and credibility becomes further complex as the method explores the subject through peoples' interpretations. It makes the theory-building exercise more uncertain; however, rigorous analysis and thorough explanations are required for such a theory to

be recognised. There are different ways of adding value to theory-building in interpretive research such as (1) to be 'descriptive and provide a sound empirical basis rather than prescriptive' (Seymour and Rooke, 1995), (2) to generate a deeper understanding of the social actors' pre-understanding Gummerson (2000 p 62), (3) to expose the reflexivity of the researcher about the subject and the evaluation method by Unique Adequacy requirement of methods described by Rooke and Kagioglou (2007) where importance of familiarity of the research setting and value-free judgment is highlighted and (4) to make sense in organisations by realising the social structure as described by Weick (2001).

CONCLUSION

This paper provides an insight into on-going research, which aims to lead to theory building and practice improvement, through inquiring into the relationship between research methodology, accessing data from practice and theorising from this data. The methodological question arises whether this conceptual theorising has a meaning in practice which is required before practice can be improved by it. It is believed in the majority of PhD research in Construction Management that this is the case but this is seldom substantiated. It was argued that empirical validity is one requirement that a theory should satisfy among other requirements such as sensemaking, believability (credibility), adaptability and coherence. Thus a study of the way theories have meaning in both academia and in practice is required.

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